CHINA WEEKLY

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

History of C.A.T.

CHENNAULT'S AIRLINE

TIENTSIN'S NEW CONSUMERS

BETTY C. CHANG

THE LAST ACT ON TAIWAN

JULIAN SCHUMAN

TEXT of TREATY and AGREEMENTS between CHINA and the SOVIET UNION

FEBRUARY 18-25, 1950

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

KMT BOMBINGS

To The Editor:

The photographs and story (Review, February 4) on the KMT indiscriminate bombing of Shanghai residential districts on January 25 should dispel any remaining doubts as to the true nature of the United States Government's "economic aid." ECA, whose funds have been used by refugee KMT officials for purchase of American equipment to kill innocent people, is dealing in murder. Taiwan-based American planes have been and are being used to bomb Chinese civilians on the continent; American tanks and armored cars, recently bought from the United States with ECA funds, are stockpiled against the integration of Taiwan into the People's Republic of China—against unification of the Chinese nation. Acheson's description of the aid as "help where we are wanted," or Jessup's more realistic one of "stemming the tide of Communism," which, according to the United States Secretary of State, is "a doctrine we don't happen to like," does not alter in the least the true nature of the "aid."

In a more astute moment Dean Acheson conceded in his Press Club speech last month that " . . . the almost inexhautible patience of the Chinese people in their misery ended . . . " that "It is a day in which the old relationships between East and West are gone. . . ." True: certainly there can be no force to persuade the Chinese people to back to tolerating their old misery or accepting the old feudalistic relationships again. Surely no amount of bombing can persuade them. In fact, the apparent effect of such inhuman measures is quite in the opposite direction and only intensifies the Chinese people's contempt for those who talk of moral values but deal death.

Under no modern moral code can indiscriminate killing be justified as a means to any end—not even to "containing Communism." And putting weapons into the hands of spiteful murderers is playing major partner to the crime.

P. T. C.

Tientsin
February 12, 1950

SHAMELESS SLAUGHTER

To The Editor:

Every American in China must hang his head in shame and sorrow at the continued murdering of innocent people by American bombs dropped from American planes going about their senseless slaughter with the American governmental blessing. (Was not Dr. Jessup, the American Ambassador-at-large, "in conference" with Chiang Kai-shek and Yen Hsi-shan in Formosa a short while ago?)

To the Chinese—those "ordinary individualistic Chinese" Mr. Acheson once pinned his hope on—kind, benevolent, humanity loving Uncle Sam now turns the face of a cold blooded, hypocritical murderer. Of course, the State Department can say that it's the Kuomintang who is tossing bombs around, but do Mr. Truman and Mr. Acheson think the Chinese people don't know that without American backing the Kuomintang could not, dare not blockade Shanghai? That if it weren't for continued American aid to Formosa the "ordinary" Chinese of Shanghai would not have to die in those stupid "spite" air raids?

What does official America's high sounding and noble talk amount to when the State Department is aiding and abetting the killing of innocent civilians? There's not even the excuse of "fighting Communism," for certainly most of the people killed are not Communists, only harmless Chinese families!

Our country was built up by great men with firm principles and far vision, to be the most powerful and respected nation on earth. And now what are small-minded monomaniacs doing to it? They are tearing it down in the eyes of all the Asiatic peoples, and the "bon bons" of American loans and American diplomatic recognition will not deceive "colonial" peoples and can not cover up the American guns in the hands of the Dutch and French. The present American Government is backing up governments that it admits are corrupt and undemocratic. It admits backing colonialization in North Africa. (These things I read in the Saturday Evening Post by some of its best known writers—it's not Russian propaganda!) And now Franco is going to be taken into the fold again. Maybe Hitler and Mussolini were killed too soon. They were very staunch anti-Communist boys!

When I listen to the spurious Voice of America—I cannot accept it as the Voice of the American People—I wish the State Department could hear itself as "ithers" hear it!

GRACE D. LIU

Tientsin
February 9, 1950

WOMAN DRIVER

To The Editor:

Lian Chuan is 20 years old now. She was born in a poor peasant family at Teh-ho, Heilungkiang Province. Not until she was 13 did she enter primary school but before she cculd finish the course, her chance of education was lost to her. In order to earn a livelihood, she mowed grass and mended flax bags, and during the winters swept thee courtyards of landlords.

In March 1947 a Normal School was established in Teh-ho. In May of the same year Lian Chuan left home to attend school.

The Normal School was built up by the students themselves. It is a new type of school which links labor and learning closely together. The whole student body, both boys and girls, take an active part in labor. They learn the techniques for spinning, weaving, reclaiming land, and cultivating land among other subjects.

In 1948 the Provincial Committee of the Chinese Communist Party in Heilungkiang started a training school for tractor driving. The authorities of the Normal School encouraged the students to learn. Lian Chuan felt that this was a good opportunity. She insisted on going. So she and two male students started for Pei-an.

On the way she was in high spirits. But when she reached Pei-an, she found herself in a fix. Altogether there were 70-odd students. She was the only woman. The driver said to her: "What do you want here?" "I want to learn to drive the tractor," she said. "Go home," the driver told her, "you cannot drive it, it is too dirty." Many of the men students also grumbled: "How can a woman drive a tractor?" Fortunately, however, the principal supported Lian Chuan and encouraged her to stay on. Lian Chuan doubled her efforts to learn about tractors.

Often she would climb up the engine, creep under the machine trembling all the while from the cold. After two months she had mastered the machine. Not only was she able to drive the engine but she was able to examine and repair the engine whenever necessary. When she drove the tractor, she was very excited. People followed her and cried: "Look! A woman is driving the tractor."

In the summer of 1948 the school brought in three new tractors to meet the demands of the big production movement. Lian Chuan was very happy. "We are able to create our own wealth with our own techniques," she thought. Under her influence another girl, Hu Yuen-tsung, also started studying tractor driving.

(Continued on page 200)

THE CHINA WEEKLY REVIEW

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Vol. 116 Shanghai, Saturday, February 18-25, 1950 Nos. 12-13

BOMBING IS MURDER

FOR the past two weeks Shanghai has been subjected to air raids of increasing frequency and intensity. Hundreds of people have been killed and hundreds have been wounded. During one big raid there were more than 1,000 casualties. In addition the property destruction has been extensive. Scores upon scores of families have been made homeless, while a number of factories have been damaged or destroyed. The Shanghai Power Company, the city's key industrial plant, has been severely damaged, with the result that Shanghai is experiencing an electricity shortage.

From a military point of view, these raids are virtually without purpose. Four years ago Chiang Kai-shek's Kuomintang government was the supreme power in the land. It had airplanes, tanks, and other modern weapons of war in great quantity. However, it was a bad regime. It was corrupt, inefficient, cruel, and stupid. The people of China refused to support it. Rather they gave enthusiastic support to the People's Liberation Army, the under dog in the civil war. Today, the PLA has conquered virtually all of China—less than 11,000,000 of the country's 475,000,000 people are still living under KMT rule.

Chiang Kai-shek has become a "refugee" who is tenuously clinging to one last bit of territory, the island of Taiwan. From this "base," separated from the mainland by a 100 mile-wide strait, the KMT's planes virtually its last military asset, daily conduct senseless raids against those cities on the mainland which lie within range. Chiang and his Kuomintang have lost the war. This is an indisputable fact. All the air raids in the world will not bring Chiang back to Nanking. Even if Chiang had sufficient planes (which he doesn't) to disrupt the nation's economy by destroying communications and flattening all the country's factories, he still could not win the war.

The KMT may try to justify these aerial attacks by claiming that the planes are attacking "military" targets. In a manner of speaking, factories, dockyards, rail centers and such might be considered of military value. However, that would only be true in a war which was still going on in which there was still some doubt as to the outcome.

More likely the KMT's air raids fall in the category of spiteful vengeance attacks made upon the Chinese people by an embittered clique which has been thrown out of power by a people it once oppressed.

It may be presumed that Chiang and his cohorts, who still hypocritically talk of their concern and worry for the Chinese people, have become so depraved that they actually do not care how many they kill or maim so long as they can cause trouble and problems for the new government. However, since we all know that the KMT is on its last legs, how is it possible for this group of thoroughly inept men to continue their almost daily aerial butchering of the city-dwelling Chinese people?

The running of an airforce, even a small one such as Chiang's is a complicated job requiring many things which the KMT is notoriously short of. It requires efficiency, and, above all, it requires money. The answer lies, partially, in the fact that the airforce was a war-time gift from the United States which supplied the planes and trained the crews. Even after the Pacific war was over, considerable more aid was given in the form of technical help, supplies of gasoline, bombs and so on.

A while back the United States government claimed that it had decided to "write off" the Kuomintang and since then much has been made of the fact that America was no longer aiding Chiang and thus could not be held responsible for prolonging the civil war. At the same time there were great protestations of affection for the Chinese people. Despite all this, the average Chinese considers that he has both the KMT and the United States to thank for his daily bombing.

It is an established fact that the American Congress has just voted economic aid to the KMT which will so bolster the sagging economy of Taiwan as to enable the Nationalists to devote more of their money and energies to bombing the mainland. It is also an established fact that the United States has been selling munitions to the KMT at a few cents on the dollar. Self-righteous Washington spokesmen have stated that such sales were straight business deals and did not constitute aid. However, no one would be so foolish as to miss the aid implications in a sale of, say, ten cents on the dollar.

Fundamentally, the position of the United States boils down to that of a man who righteously refuses to aid another man in committing a murder by giving him a gun, but who is willing to give the other man enough money to buy the gun. Thus, in our view, the Truman administration which is basically responsible for America's policy toward China, has committed the United States to a major share of responsibility for the KMT's criminal bombing campaign against China's major cities.

The United States is still the main holdout among the Western powers refusing to recognize the new government of China. Britain, America's closest partner in the cold war against Russian and communism, has recognized the facts of the situation and has withdrawn recognition from the KMT and accorded it to the new government in Peking. The United States, in the eyes of the Chinese people, has become the symbol of world reaction. The traditional friendship of the Chin-

ese people for the American people is on the point of being lost. This is a very lamentable state of affairs. It is high time that Truman began taking a realistic view of affairs in the Far East. Continuance of the present policy of giving open and/or back door aid to Asia's bankrupt fascists and colonial running dogs can only bring the US to disaster. The American people deserve better leadership.

SINO-SOVIET TREATY

THE terms of the new Sino-Soviet treaty, which were made public last week, reveal two particular things. First, the treaty is very beneficial to China. Second, the many rumors of the Soviet Union's aggressive designs upon China have been dispelled. In addition, the agreement lays the basis for common action on the part of two members of the "Big Five" aimed at preventing the rise of a resurgent and unrepentant Japan from again threatening the peace of Asia.

The US$300,000,000 loan to China comes at a particularly fortunate moment when the new government is a faced with enormous problems of construction and reconstruction. The progress already made has been impressive. With the help of a substantial credit for the goods which China needs most, the rate of construction should increase considerably. The terms of repayment are most advantageous, being about the best China has ever received. Interest at one percent, we would imagine, should scarcely suffice to cover handling charges let alone show a profit, especially when one considers the yearly depreciation of the US dollar.

Other provisions, such as the early return of Port Arthur to complete Chinese control, the relinquishment of Soviet interests in the Chinese-Changchun Railway, are all obviously to China's advantage, as is the return to China of Japanese property taken over by Soviet troops following the latter's occupation of the Northeast during the Pacific War.

Announcement of the agreement came as a final blow to the many rumors plaguing Shanghai and other cities which ran to the effect that the Soviet Union was insisting upon more and more concessions in China and that this was the reason why Mao Tze-tung was staying so long in Russia.

Naturally, the sources of most of these rumors were pretty obvious. The majority were manufactured in Taiwan or locally by KMT agents. However, the American State Department's propaganda arm, the Voice of America, did its share, broadcasting various "analyses" of Mao's "extended" stay in Moscow. One rumor repeated Acheson's ridiculous statement about the detaching of four northern areas of China from China and attaching them to the Soviet Union and it was suggested that Mao would have to agree to such a deal before he could come back to China.

Such rumors have now been dispelled and once again the sources have been discredited. All in all, from China's point of view, the treaty was a very good deal, while the Soviets, likewise, have nothing to complain of.

25 Years Ago In *The China Weekly Review*

A Word For Anti-Christianity

February 21, 1925

Loud have been the reproaches, frantic the accusations, and bitter the tears that China has been so ungrateful as to have given birth to an anti-Christian movement. . . . I feel it due the people . . . that some defense be made.

The strength of my argument lies in a consideration of affairs from a Chinese point of view. In recent years China has developed a vast spirit of nationalism, fully as great as that of any country on the globe, yet there are outsiders in China foisting upon the people a religion which, though admittedly good, is not wanted in a majority of cases. The introducers in this religion are protected and aided by treaties. If we reverse the positions of America and China, with what grace would we Americans accept a foreign religion? No matter what its preceptors claimed for it, we should resent fiercely any attempt to have it forced upon us; our resentment wouuld be instinctive, an expression of outraged national pride, were we compelled to watch it flourish under laws imposed upon us by a stronger power. If this tenet be granted, then why should there be tears when China, under the same conditions, fosters an anti-Christian agitation? I hold it but natural and even laudable, since it is an evidence of what every right thinking man desires for China—a nationalism that will bind together a broken country.

Since becoming familiar with mission work in China, I have regarded it as inevitable that a time would come when the country would be solidly arrayed against the work of foreign religious instructors. At the present time, this is probably more nearly realized than at any time in the history of Christianity in China. . . .

Let not my position be mistaken. I have a hearty appreciation for the good that the missionaries have done for China. At the same time, I deplore the bigotry that complains of a thing that must come, a thing that, I believe, goes hand in hand with a united China. To paraphrase, when foreign influence comes in through the door, unity flies out through the window. The anti-Christian movement spells difficulties for the Christian way of saving China, but hope for the less idealistic way. And after all, how many countries have been saved from without?

—W. B. G.

Women Strikers

The six large silk filatures in Koonshan, Manhoi, near Canton City, are now suspending operations because of the refusal of the several thousand factory girls to resume work until the half dozen girls arrested for leading a recent strike are released. The girls arrested have told the Magistrate of Manhoi that they had acted as leaders of the strike by request of their fellow workers, who are admitting the same.

10 Years Ago In *The China Weekly Review*

The United Front

February 24, 1940

China's "United Front" which was expected to produce democratic harmony between the Kuomintang (Nationalist Party) and the Kungchantang (Chinese Communist Party) has failed to provide either democracy or basic harmony. Their relations, which resemble an armed truce more than political coalescence, are one of the world's political curiosities.

Big officials in the Kuomintang candidly say that the "United Front" is a myth which exists only in Communist phraseology, and deny that the Communists have the legal basis to entitle them to form a political partnership of equals. There is some attempt to convince you that the Communist Party does not, in fact, even exist although anyone can read its official announcements in China. Communists claim a legal position on the basis of a statement made by Chiang Kai-shek in December, 1937, in which he said that he had reached an understanding with the Communist Party. But the Generalissimo added to the confusion when recently he told a German correspondent that "there is not a single Communist in China." Nobody yet knows exactly what he meant. . . .

From: "China's Precarious Unity" by Edgar Snow

C.A.T.—Chennault's Airline

The story of how an American ex-general, with a crew of modern buccaneers, built a fabulous commercial organization makes a fitting epitaph for the age of Taipans.

OF all the American soldiers who tried their hands at "doing business" in China following their tours of duty here during the Pacific War, the career of Major-General Claire Lee Chennault was the most meteoric and successful. As such Chennault's brief period as a "taipan" serves to illustrate the role played by a number of foreign adventurers who acquired fame and fortune during the last hectic days of the Kuomintang government.

Chennault was already well established in China at the war's end. He had become famous first through his "Flying Tigers", a volunteer air force handsomely paid by the KMT, which operated against the Japanese, and later as head of the US Fourteenth Air Force in China.

His CAT (at first CNRRA Air Transport, later Civil Air Transport) started out in 1947 as a relief adjunct to the United Nations Relief and Rehabilitation Administration. When UNRRA ended, the CAT continued as one of the most profitable commercial undertakings in China. It had cost its owners virtually nothing to launch and, until the advances of the People's Liberation Army forced it off the China mainland, it made a gold mine out of China's civil war.

Fascinating Story

How Chennault managed to make UNRRA the vehicle for his venture and establish an airline at a time when all other such requests were being refused makes a fascinating chronicle.

Early in 1946 it became apparent in the UNRRA high command that something had to be done to get supplies into the interior of China. Ground and water transport facilities, disrupted by the war, were slow and uncertain. Meanwhile, as dozens of ships unloaded their UNRRA cargoes in Shanghai and other ports, the godowns and wharves became jammed. At times ships had to lie in port for days or even weeks waiting until some small space could be cleared so their cargo could be landed. Interior areas of China were without supplies, while cargoes rotted in the sun and rain in the port cities.

It was at this juncture that Chennault suggested setting up an airline to move the most urgently needed supplies into the interior. His idea was considered, although some officials objected to the scheme. One objection, which proved accurately prophetic, was that "UNRRA would be in the position of heavily financing a private and profit-making concern with little if anything gained...and might easily become involved in legal, financial and diplomatic complications."

Although discussions were extensive, from the record it is difficult to believe that the opposition to CAT ever had much of a chance. A cable was received in May 1946 from the director-general of UNRRA in Washington who expressed "great confidence" in Chennault, and a draft agreement to establish CAT had already been prepared in April.

Although the difficulties with UNRRA were then on the way to being overcome, more obstacles arose from various Chinese groups. Different KMT cliques, which all wanted their share of the expected profits, made trouble. Objections and conditions were advanced by all manner of official and semi-official Chinese organizations. The customs insisted that it must have the right to search all planes, even though they were to be operated by UNRRA, an official United Nations organization. Difficulties arose about the airfields, with the Chinese Airforce insisting that no definite assurance could be given about the right of CAT to use airfields in the interior because of "military requirements."

Also to be bucked was precedent. Immediately following the end of the war with Japan, the Ministry of Communications had been flooded with requests for permits to establish new airlines. H. H. Kung wanted to start an airline. The San Min Chu Yi Youth Corps wanted an airline. In fact more than 60 separate applications were made by various private, official and semi-official groups desiring licenses for commercial airline companies. All of these requests were refused on the grounds that China had two chosen instruments in this field, the China National Aviation Corporation, jointly owned by the government and Pan American Airways and the Central Air Transport Corporation, entirely owned by the government.

However, Chennault and his partner Whiting Willauer, a Washington lawyer who became acquainted with China through China Defense Supplies and, later, the Foreign Economic Administration, had powerful friends and finally T. V. Soong gave the okay.

First Planes

By the end of May, although UNRRA was still in a quandary, the lack of a favorable official decision had not prevented the procurement of three surplus planes destined for the new line. Authority was later requested from Washington for their purchase! However, the UNRRA China Office began to come around to the idea. This development was marked by UNRRA charges that CATC cargo rates were too high and that CNAC couldn't give it cargo space.

CNAC, however, made well-founded objections to the charge that its facilities were inadequate, and in doing so showed up UNRRA's own confused way of operating. It said that it had repeatedly asked UNRRA for cargo details, in order to set up a flight schedule, but these had never been received. It asked UNRRA to reconsider, stating that "CNAC would not need any contribution of US$ 3,000,000 to get started."

UNRRA's squabble with CNAC then turned on other and more concrete issues. For example, some time previously UNRRA had asked CNAC to expand its services to handle relief cargoes, which the latter had done at considerable expense to itself. When it became evident that UNRRA had no intention of using these expanded facilities but was bent upon setting up an airline for Chennault, CNAC made a claim for reimbursement of costs entailed in "enlarging facilities."

Still, UNRRA's China Office wavered, dickering first with the existent airlines and then taking a few more steps toward setting Chennault up in business with money provided by United Nations taxpayers. Toward the end of August UNRRA's head office in Washington grew impatient and said that the organization "must comply with a workable proposal."

Contract Signed

This apparently was enough of a prod to cause the signing of a contract between Chennault-Willauer and CNRRA, which set the official seal of approval on the enterprise. The contract provided that Chennault and Willauer would put up US$1,000,000 as working capital, that UNRRA would put up US$3,000,000 and that only relief cargoes would be carried inbound but that commercial cargoes could be carried outbound, i.e. to the coast. The agreement was to terminate with the end of CNRRA.

The director-general of UNRRA had meanwhile approved the purchase of planes and parts, provided that CNRRA would agree to an equitable cancellation of relief items already programmed for China. Procurement for CAT was set up in November; it was difficult and slow. There were urgent problems of supply transportation to North China at the time, and in order to speed up the acquisition of surplus planes in Hawwaii, UNRRA agreed to turn them over to Chennault and Willauer at Hawaii.

From the very beginning it was evident that the restriction providing that CAT must carry only relief goods on its inbound flights from the port cities on the coast weighed heavily on the line's operators. Bit by bit, Chennault persuaded UNRRA to waive some of these restrictive provisions. For example, he persuaded UNRRA to repair the commercial airfield at Kweilin in South China as a work-relief project, although the need for CAT was greatest in North China.

Also, it was not long before there were indications that CAT was becoming closer and closer to the government insofar as the split with the Liberated Areas was concerned,

while UNRRA aid was in theory destined for all the needy people of China regardless of political beliefs or divisions. However, as time went on it became evident that UNRRA aid was going mainly to KMT areas, with little or no aid getting to the Liberated Areas in North China. In March 1947 the KMT Ministry of Communications ruled that CAT was permitted to carry relief supplies only to areas where CNRRA Regional Offices existed, thus formalizing the fact that CAT was not delivering any supplies to the Liberated Areas.

The "legal and financial complications" increased through 1947. There was the matter of the promised US$3,000,000 from UNRRA, which became a tough bone of contention and provoked a long series of squabbles between CAT, CNRRA and UNRRA. In March 1947 UNRRA found that CAT's rates were 60 percent higher than commercial rates and that only an extremely small amount of high-priority cargo was being flown "which could not possibly justify the enormous expense..." Cancellation of the CAT program was even recommended, but the recommendation was not acted upon.

Auditors Object

In August the auditors raised embarrassing questions. How could CAT be considered rehabilitation when it hadn't existed before the war? Were not distribution costs the responsibility of recipient countries? In rebuttal, CAT pointed to CWT (CNRRA Water Transport) and CHT (CNRRA Highway Transport), less spectacular counterparts of CAT which had also been set up at UNRRA's expense. Questions were also raised about the final disposition of the planes. The answer, Chennault said, was that he and Willauer would buy the planes upon the termination of CNRRA.

An interesting example of CAT methods of operation was the acquisition of 25 surplus C-46 transport planes in the Philippines. According to the purchase contract, these planes were bought for the ridiculous sum of US$3,000 each, with the proviso that they were never to be flown. They were to be used solely as a source of spare parts—to be cannibalized. Somehow the planes arrived in Hongkong, apparently under their own power. In August, UNRRA inquired if in fact the planes had been rendered unflyable. In September CAT replied that cannibalization was proceeding as rapidly as possible. But in October, we find CAT proposing that two of the planes be flown to Canton, as a more convenient method of delivering the spare parts when and where they were needed!

Apart from its failure to cannibalize the planes, CAT found it difficult or inexpedient to carry out other of its commitments. Chennault and Willauer's million dollars had not yet been produced as of October 1947. It was partly in consideration of this contribution that they had been promised title to the planes upon CNRRA's dissolution. Nevertheless, it was found, toward the end of 1947, that Chennault and Willauer, in need of cash, had already given a first mortgage on the planes and other equipment. When UNRRA protested, CAT replied with a counter-claim against CNRRA for the payment of home allotments for the foreign staff for July, August and September. UNRRA replied that this was supposed to have come out of Chennault and Willauer's million. So it went, round after round, with UNRRA's position vis-a-vis CAT the same as it was toward other embarrassments, such as the supposed equitable distribution of supplies: that is, the holding of innumerable meetings and the writing of innumerable memoranda and letters of protest.

It is interesting to observe just what UNRRA received for its trouble and money. From the beginning of operations through October 1947 something over 8,000 tons of UNRRA cargo was carried into the interior. For this service, as mentioned in the foregoing, UNRRA paid rates 60 percent above what it would have had to pay commercial airlines. During the same period CAT carried about 14,500 passengers, as well as considerable commercial cargo for its own account.

During the latter half of 1947 CAT was busily mushrooming out in all directions. Having overcome its opponents in the Nanking government, as well as in UNRRA, it moved rapidly to establish itself as a full-fledged airline, disregarding those provisions of its charter which limited it to the carrying of relief cargo. During this period relief cargoes totalled something less than half of all other cargoes—i.e. commercial cargoes, to say nothing of the 50,000 ton miles of mail. It avoided the strictures on its carrying commercial cargoes to the interior with the contention that, since its flights were not scheduled, the carrying of commercial freight offered no real competition to existing lines.

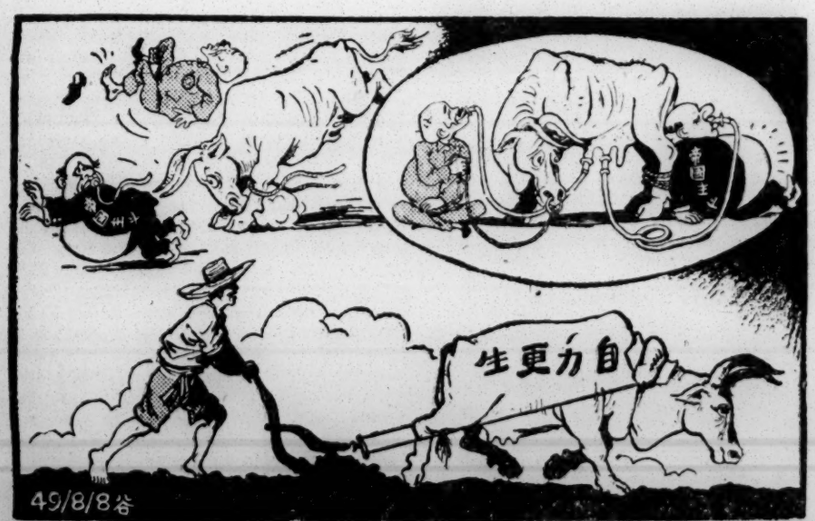
C.A.T.'s Best Days

CAT's greatest triumphs, however, were in 1948. The chief reason for this was the crumbling KMT position in North China. After CNAC and CATC withdrew from an area menaced by the advancing PLA, CAT would continue to fly in arms and take out rich refugees, KMT officials, stranded valuable cargoes and so on. The risks were great, but so were the stakes. Air transportation was the key to surrounded cities and CAT swept the field.

However, there apparently were limits to the type and amount of commercial business which CAT as a registered airline could engage in. Therefore, a second company, International Suppliers Corporation, handled much of the business. Frequently would-be shippers or passengers found that all CAT planes were chartered to ISC but that the latter company, usually for a consideration several times above the legal rate allowed airlines by the Ministry of Communications, would re-sell any amount of space on the CAT planes. This "system" was usually employed to the best advantage in cities surrounded by the PLA and about to be captured, when KMT bigwigs, local landlords, merchants and other wealthy people would pay fantastic prices to get away. Just prior to the fall of Paotou it was reported that each trip from that city to Peking netted ISC a sum equivalent to the value of the plane.

While the deepening of the war crisis brought fatter government contracts for CAT and enhanced the value of air space for ISC, it also brought nearer the day when CAT would be faced with a new and different government in China. Although some efforts were made by CAT officials to contact the new authorities with a view to obtaining permission to operate in Liberated China (one such approach was reportedly made in Shanghai after the liberation), by and large Chennault and Willauer placed their hopes on Chiang Kai-shek and the latter's Kuomintang regime.

Playing on the anti-red hysteria in the States, Chennault, toward the end of 1948, declared that the US was losing China bases necessary for an



This cartoon from the *Giefang Rbbao* Liberation Daily tells the story of China's liberation with the parable of a cow. First milked by Chiang Kai-shek and foreign imperialism, the cow revolts and is now working peacefully for China's reconstruction.

air attack against Russia.

It was at this point that the proposal for reviving Chennault's old mercenary outfit, the Flying Tigers, was made. Already CAT was virtually an air transport wing of the KMT airforce. Old Flying Tiger pilots offered "their honorary president, Major-General Claire L. Chennault, their services in this hour of China's need." Later, in November of 1948, after the fall of a number of important towns in Manchuria and North China and after it became apparent that the PLA was launching an all out drive into Central and East China, Chennault became more vocal. He claimed that if he had his airforce "the seige of Taiyuan would be lifted in three days with the Reds high-tailing it into the hills."

Meanwhile, CAT flew endlessly back and forth. In October 45 planeloads of supplies a day were going into Taiyuan. Flights were suspended on the 20th, but were resumed on November 4 on a new field. Interrupted again, when the Chinese Airforce impounded all stocks of aviation gasoline at the Peking airfield, they were resumed on December 16 from Tientsin. At one time CAT was flying 20,000 pounds of rice and flour a day into beseiged Taiyuan.

At the time of the battle of Hsuchow the story was repeated. Tons of supplies of foodstuffs and munitions were flown in and foreign Catholic priests, wounded soldiers and families and concubines and valuables of KMT officials were evacuated.

CAT's role as the handmaiden of the KMT army was played up with much righteousness in the January 1, 1949 issue of the *CAT Bulletin*, the company's house organ. In this issue Co-editor Ed Souder stated in the lead article that "almost overnight the airline swung from airlift of such peace-time goods as wool and cotton to hauling the materials that help China's armies to resist Soviet aggression...176 trips to the Hsuchow battle area...109 flights to Taiyuan..."

1949 and Out

Despite the lack of official enthusiasm for reviving the Flying Tigers, or for large-scale aid to the KMT, Chennault continued to spend much of his time in Washington lobbying for Chiang Kai-shek and Nationalist China. Meanwhile, back in Canton, CAT's headquarters after the occupation of Shanghai by the PLA, a bizarre shooting fray at a CAT party ended the career of one of the company's most colorful employees, Willard Freeman. Freeman, also an ex-American serviceman who remained in China after the conclusion of the Pacific war, was originally employed by UNRRA, where he was one of the officials connected with the setting up of CAT. Later, he became a CAT official, serving at one time as chief of CAT operations in Peking. While in Peking, his house was the scene of an earlier shooting affair which took place during a party. Following the fall of Peking, he transferred to Shanghai as head of ISC. Reports on the Canton affair are scanty, with only a few details published in the press. Harold Harris, a Britisher, was killed instantly, while Freeman, wounded, died a few days later. The sole survivor, who was also wounded, was Leonard Clark, described variously as an "explorer" and as a former US intelligence officer. Clark, incidentally, was removed from Canton just prior to the liberation of that city after an appeal by General William Donovon, war-time head of the American Office of Strategic Services, who demanded that Clark be saved from falling into the hands of the Chinese Reds because of his "previous activities" in this country.

Finally driven from the China mainland by the victories of the PLA, CAT ended up flying between Taiwan and Hongkong early this year. However, the end has not yet come. Concerned lest British recognition interfere with CAT's operations as a Chinese company, the airline has been reorganized and is now registered as an American company. Latest dispatches from Hongkong report that a new line has been opened between Taiwan and the Philippines. The inaugural flight, typically, carried boxes of silver dollars from Manila to Taipeh.

Latest maneuver was the announcement by Willauer in Hongkong that he and Chennault had "purchased" the properties of CNAC and CATC. However, at last report this move had been stalled, with opposition coming from the Chinese staffs of the two organizations, who obtained a Hongkong court injunction preventing CAT from removing any of the two companies' property from the British colony.

While it is impossible to tell at this time whether or not this modern-day East India Company will die with the KMT, all indications are that its proprietors, Chennault and Willauer, are making plans for continuing operations in other parts of Asia. In addition to the opening of the line between Taiwan and the Philippines, there have been reports of negotiations for lines to French Indo-China and to Korea and Japan and even as far away as Pakistan. However, one thing is certain. The days of such "taipans" are over so far as China is concerned.

—WILLIAM PAGET

Shanghai Factories Reported Thriving in Tientsin

SHANGHAI factories which have transferred their operations to Tientsin are making out well in that north China city, according to a dispatch from Tientsin printed in the Shanghai *Giefang Rhbao*.

Since the Government's call last summer urging non-essential Shanghai industries to move to other parts of the country where they would be closer to sources of raw materials and find ready markets, some six manufacturing plants have shifted their equipment in whole or in part to Tientsin, the dispatch said. Three others have set up offices in Tientsin preparatory to a move north.

Of the six transferred factories, four are already in operation and the other two expect to commence operations in the near future.

One plant, the Shanghai Konloo Tobacco Factory, which moved to Tientsin last August, resumed production early in January and already is contemplating the purchase of additional machinery to expand its operations, according to the dispatch.

Outlining the many problems that had to be solved in connection with the move, the dispatch said 13 machines, including eight tobacco-rolling machines, were moved to Tientsin when the transfer work began in the middle of August. Towards the end of October, the factory was approved by the Tientsin Bureau of Industry and Commerce. In its search for manpower, the factory was aided by the Tobacco Rolling Guild, which recommended more than 40 women workers. The Sinhsin Steel Works offered to supply it with power. Then, after solving the questions of raw material and operating funds, the factory started formal operations on January 6.

During the first month of operation, the dispatch reported, the factory more than doubled its daily output and sold more than 2,000 cases of cigarettes in Peking, Tientsin and Tsingtao. As a result of this initial success, it has sent representatives to Hsuchang and Yihtu to procure additional raw materials and is planning to purchase more tobacco-rolling machines.

The same success was experienced by another of the transferred factories, the Shanghai Universal Underwear Company, which literally could not meet the demand for its products last month, the dispatch said. This company, too, is planning to purchase additional machines.

One of the leading underwear companies in China, it moved to Tientsin last September and commenced operations in November. The following month it set up a sales office to coordinate production with marketing.

The manager of the factory reports that although part of the raw material has to be obtained from Shanghai, operating costs are comparatively low in Tientsin.

The Sin-an Electrical Machine Factory is one of the three concerns now engaged in preparations to move to Tientsin. According to the dispatch, it is receiving a great deal of assistance from the various industrial and mining enterprises in north China and the Northeast, which already are placing orders with it. The first large order, for two high-pressure machines, placed by the Tongshan Textile Company, gave the factory enough operating funds so that it could abandon its original plan to seek capital investments in Shanghai.

A short story by Chao Shu-li

FUKWEI

Translated by Hu Ching-hsien

IN his village, Fukwei stank worse than dog's droppings. In the first place, his hands could not be trusted. Whenever he dropped into somebody's yard, the host felt obliged to keep his eyes glued on Fukwei until he finally walked out of the door, and only then could he heave a sigh of relief. Anyone who had anything missing would at once think of fixing up some pretext to go and take a look in Fukwei's home . . . Yet, there were other matters in which Fukwei was quite indispensable. For instance, when somebody died, it was Fukwei who was called upon to dress the dead; when a child died, it was Fukwei who disposed of the body; and naturally he was useful in digging graves or carrying coffins.

Even in farm work Fukwei was good in every respect. He was worth one and a half men. The pity was, nobody could keep him long in employment—he would go and gamble away his money even if he had only 20 cents in his purse. Sometimes, when a bad landslide occurred in some terraced fields, the owner would insist upon having Fukwei lead the repair job—even if he had to pay double wages. This was due to the fact that embankments built by Fukwei simply would not collapse easily. The one catch was that, even when he was on a job, the employer still found it necessary to keep his eyes open, lest Fukwei walk away with things.

Then he went and became a trumpeter in funeral processions. Because of the dishonor thus brought upon the clan, the patriach of the family, Wang Laowan, wanted to bury him alive. So he ran away and did not return until one month after the arrival of the Eighth Route Army in the village.

The following is the story which the Communist cadre learned about Fukwei's life:

* * *

FUKWEI'S father died when the boy was only 12. His mother grimly set to spinning and weaving to raise the boy. Fukwei was a good lad—handsome and intelligent. He began working in the fields when he was only 13 and was as good as a grown up man by the time he was 16. It was around that time that his mother betrothed him to a nine-year old girl called Silver Flower. Her brother and sister-in-law were so poor that they could not afford to feed the child, so they sent her to Fukwei's home soon after the betrothal took place. However, Silver Flower did not suffer any of the usual maltreatment. Fukwei's mother was a kind-hearted woman, and as she had never had a girl of her own, she treated Silver Flower as if she were her daughter.

The village had a Chinese opera troupe and Fukwei had learned to sing and play so well that he was usually given the leading role. Silver Flower went to see the opera the first year she came to Fukwei's family. When Fukwei appeared on the stage, other children nudged her and said: "Silver Flower! See, that's your husband!" Silver Flower became so embarrassed that she was obliged to hang her head low.

But as she grew older, she noticed —when watching the opera—that her man looked the handsomest on the stage. So whenever there was a performance, she could not refrain from seeing it no matter how busy she was. She always hurried back home the minute Fukwei's role was over. Once, Fukwei sang right to the last and she was late for cooking the meal and was scolded by Fukwei's mother. But she did not cry. On the contrary she was still so cheerful as to be found chuckling to herself. Fukwei did not scold her even though his meal was late. He only smiled and told her privately: "Can't you return home earlier?"

* * *

WHEN Fukwei was 23, his mother fell ill. She threw up everything she ate, and she felt that her end was near. Even the neighbor woman warned Fukwei that his mother's illness should not be trifled with. Fukwei asked the doctor at Wang Laowan's Herb Medicine Store to treat her, but none of his several prescriptions seemed to help her.

One day, Fukwei's mother said to this neighbor woman: "I don't think I'll ever get well again!"

The neighbor woman hastily cut her short and said: "Don't you think of such nonsense! No mortal who lives on the five cereals can be free from sickness."

"I know only too well," said Fukwei's mother. "I'm not afraid of death after having lived for almost 60 years! There is only one thing that worries me. Fukwei and Silver Flower's affair is left hanging in mid-air. The girl is now 15 and I would like to see her become a bride before I close my eyes. But we're so short of hands, would you help me out when the time comes?"

The neighbor woman heartily approved of the idea and promised to do her best to help.

On the 26th of the seventh month, Fukwei and Silver Flower were married. Silver Flower borrowed the neighbor woman's rooms for dressing herself up as a bride and for departure when she was to ride in a sedan-chair on her way to Fukwei's home. The chair was carried around the village once, and then carried right back to the yard from which it had come. Only this time Silver Flower went to Fukwei's rooms. Several guests were there, including patriarch Wang Laowan. For this occasion, Fukwei's mother thought that the usual dish of bean curd was not good enough. She had ordered a chicken to be killed and four dishes and one soup prepared.

The matter was thus settled. Fukwei and Silver Flower had known each other since childhood, and they struck out in life harmoniously. This gave great pleasure to Fukwei's mother.

But still, as she herself had predicted, Fukwei's mother's illness turned from bad to worse. By the ninth month, she could not swallow the least bit of food without throwing it up again. Her eyes became two black sunken holes, and her cheek bones stuck out sharply.

The neighbor woman said to Fukwei: "It seems that your mother's dying, and you had better be prepared."

Fukwei was not blind to the situation and he went to find Wang Laowan.

Wang Laowan said: "I have everything ready." Wang Laowan's Herb Medicine Store was a combination grocery store, and also had in stock several coffins awaiting their occupants. It was Laowan's practice that when the amount of goods one took from his store reached a round sum, one must write him a promissory note. In fact Laowan was constantly imparting this worldly wisdom to his sons. "You can make but few pennies in a year if you rely upon business alone. The main thing is to extend loans. It is faster for money to make money than for man to make money!"

About harvest time, Fukwei's mother died. Silver Flower was still such a child that the only thing she did was weep. Even Fukwei, who was 23, was not much better. He went around begging people to carry the coffin and consulting geomancers, and hardly thought of looking after his affairs. It was lucky for both of them that they had the kind-hearted neighbor woman, who helped Silver Flower in sewing mourning caps, mourning shoes and cooking. Between the three of them, they managed to get over the funeral.

For his own wedding and his mother's funeral, Fukwei spent over 10 dollars in cloth and miscellaneous goods. Adding the cost of the coffin, the account was settled at a round 30 dollars. Fukwei wrote Wang Laowan a promissory note for this amount.

* * *

THE little family had only four *mou* of land. They had no other worry except that they would not be able to repay Wang Laowan's debts. When the next year rolled along, Fukwei went to work as half-day laborer for Wang Laowan. Silver Flower had started to learn spinning when her arms were still too short to reach the spinning wheel. So, although she was only 16, she was already a good spinner. Early every morning, the young couple, without the need of any prodding from each other, went to work.

Laowan hired four farm hands altogether. His foreman had been the best farm hand that one could find some 10 years ago. No matter what work the foreman wanted him to do, Fukwei never needed explanations twice. He learned a great deal about farming from the old foreman.

Unfortunately, the wedding and the funeral had quite used up Fukwei's food stock. He had to borrow food from his employer from the day he took up his employment right to the time when wheat was cut. When the year's work was over in the 10th month, Laowan calculated Fukwei's accounts. His wages just covered the food which Fukwei had borrowed from him and which was charged at the spring price when the shortage of food was acute. Fukwei owed Laowan 10

dollars and 80 cents in interest on the 30 dollar debt. So the 30-dollar promissory note was replaced by a new note for 40 dollars: Laowan already having shown his big-heartedness by forgetting the eighty-cent fraction.

From that time on Fukwei had stuck his legs in a sand pit: the harder he struggled the deeper he sank. By the fourth year, his debt exceeded 90 dollars. When Laowan and Fukwei again settled accounts in the 10th month, Fukwei's wages, together with all the food reaped from his four *mou* of land, proved insufficient to pay Laowan.

On the 10th of the first month of the following year Silver Flower gave birth to her first child. Since Fukwei had given away his food to Laowan in payment of debt, the couple had been going without regular meals for several days. For Silver Flower, who had just given birth to a child, only a handful of rice was used for cooking her thin congee. Fukwei did not dare touch the tiny hoard to cook a single meal for himself. He appeased his hunger by swallowing the residue of the rice grains, the essence of which had gone to make Silver Flower's thin congee. Her heart almost broke when she saw that he went without a single meal in two days.

* * *

ON the 14th of the first month, the opera troupe staged performances at the Village Temple. Fukwei was sent for. But he was so hungry that he told the man: "The baby is but four days old, I have to stay at home to look after it."

Thus, he did not go for the day performance. But that night the opera repeatedly sent for him. They even tried to get someone else to play Fukwei's role, but the audience refused to put up with the substitute. Some of the people shouted: "Who does he fancy he is, putting on such airs. Drag him out here!"

Fukwei's good neighbor woman was among the audience and she promptly shouted: "None of you really understands the situation. Fukwei is not putting on airs! He and his wife have had no food for four days. How could you expect him to play for us with an empty stomach!"

And immediately everybody talked at once: "Why didn't he say so? People would be glad to give him a cake or two!"

But the good woman said: "He is such a shy boy. He simply can't bring himself to make such a humiliating request. You see, I have tried to give him a cake but he would not accept it!"

Laowan, who was sitting in the office, said: "Go and get hold of him again. Tell him the opera troupe will treat him to a few fried cakes."

The problem was thus solved. The opera troupe donated a little money, and the other actors donated some cakes. With this sustenance, Fukwei went through the three-day performance.

The opera troupe also had a custom of giving a little tip to the actors who had played. Fukwei was a principal actor, and he got 30 cents.

The world had not yet changed then, and gambling was rampant in the village during the first month of the year. On the 17th, when Fukwei stepped out of the Temple with his 30 cents, a group of boys surrounded him, and asked him to gamble with them. He had wanted to hurry back home to Silver Flower, but the boys would not let him go. They goaded him. Some said that he could not be separated from his wife for a moment. Others said he was so miserly that he could not bear the thought of parting with his 30 cents. Anyway, they made it impossible for Fukwei to beat an honorable retreat. So he gambled with them. He was smarter than they and, in a very short while, quite cleaned their pockets. He counted and found that he had won more than a dollar.

* * *

WHEN he returned home Silver Flower told him: "The foreman came to tell you that Laowan wants you to start work."

Fukwei said: "It makes no difference whether I work or not. I make $1.50 a month working for him and I have to pay him $3.60 in interest. I still stand short of $2.10. I'll never be able to repay his debt anyway!"

Silver Flower said: "But if you don't work for him, you'll run even more short of money."

"I'll spend the time to find some other work, say carrying things for people in order to earn a little."

Silver Flower said: "But you still have to turn all the money to him, don't you?" And she moaned: "Oh heavens! We can no longer live such a life!"

— Abandoned Baby, by Chao Yien-nien

Fukwei said: "Life has long become impossible for us, but you have failed to realize it until this moment!"

Fukwei figured that whether he worked or not, life would, all the same, be impossible for them. So why should he let himself be tied down by work. "Don't think of this now, let me go and buy some rice first!" After telling Silver Flower of his intention, he flung an empty sack on his shoulder and departed for the market.

That night, when Fukwei returned home with the rice, Laowan sent for him and gave him a sound scolding. He ordered Fukwei to start work at once. Fukwei said: "I'll work for you if you'll loan me one year's food."

Laowan hastily did some mathematics and said to himself: "The food that can be harvested on his four *mou* of land would not be sufficient to pay interest on his debt. He'll have nothing to pay for the food if I let him borrow from me. This won't do. It is cheaper for me to hire some other man."

So, aloud he said: "The deal is off then. But you owe me seven dollars on last year's interest. If you don't work for me, you'll have to pay me this sum!"

Fukwei said: "You just go ahead and take my four *mou* of land. Anyway, if I till them myself, I won't raise enough to pay you."

The matter was thus settled. Two days later, Laowan had his men carry fertilizer to Fukwei's four *mou* of land.

Fukwei had just finished strengthening all the enbankments on his terraced land, and he could not help but feel rotten when he saw his land ploughed by someone else. He did not want to set eyes on his land again. But it was so near his house that it simply thrust itself under his eyes the minute he stepped out of his door. To keep away from his land, Fukwei chose to spend his days in the gambling house where he could forget his worries.

* * *

FROM that time on, Fukwei was rarely at home. At first he whiled away his time roaming around his own village. Gradually other ruffians persuaded him to go to other villages. Sometimes he would be gone for two or three months at a stretch. The neighbor woman advised Silver Flower: "You better give your man another talk. Once he gets used to loafing, he cannot return to honest work again!"

Once Silver Flower acted upon the woman's advice, but Fukwei said: "It doesn't matter whether I work or not. We're washed out just the same."

When he had money, he often bought food for Silver Flower and the child. But when his luck was low, he would rather go without food for a few days than to come home and live off his wife. He frequently said that what he did was not honest work and he would not drag his wife and child into his shame. Silver Flower knew of the bitterness that was gnawing at her man's heart, and she never went against his wishes when he did come home. But she knew that she could not depend upon him for a living. She and her child must depend on her own two hands. She had no money to buy cotton to spin and to weave. She could only work for others and earn a pittance for her labor.

It was again winter time when Silver Flower was about to give birth to her second child. She had saved a bolt of cloth, which she had refrained from cutting into clothes for her-

self and child, but had planned to change for rice. Just then Fukwei came home. He had lost everything, including the cotton padded jacket on his back and trembled like a leaf in the biting wind, clad in his summer coat that was full of holes. Silver Flower promptly cut the cloth and made a jacket for him.

On the 20th of the 12th month, Silver Flower gave birth to her second child. Like the first time, there was not a grain of rice at home. There was no rice to cook thin congee for the mother, nor for the boy who was then four years old. He kept clamoring for food. Silver Flower said to Fukwei: "You take a bag and go and borrow one *sheng* of rice from our front-door neighbor. Tell him that I'll spin cotton thread for him in a few days."

Fukwei went, but he had acquired such a reputation that the man suspected that he was up to some trick and would not let him have any.

As Fukwei stood hesitating in the yard, he heard a woman's low wail. The door of the western neighbor opened a crack, an old woman beckoned at him and said: "Fukwei, there's some work for you, are you willing to do it?"

Fukwei asked her what it was and she told him that her little granddaughter had just died and she wanted Fukwei to dispose of the little body.

Well, Fukwei had not yet sunk that low, and his first thought was to give the old woman a piece of his mind. The old woman, seeing the hesitant look on his face, quickly added: "Will you do it? What's the shame in it? Isn't it better than borrowing rice?"

He saw the logic of her words. He was no longer worth a *sheng* of rice. Was he still in a position to care for his face?

Without saying a word, he walked into the room and a while later emerged from it with something rolled up in a piece of matting under his arm. He chose rarely frequented lanes for fear of being seen. He had almost gotten safely out of the village when, peeping back, he saw a group of people standing there, talking in whispers. He did not stop to see who they were, nor did he know what they were talking about. He only heard the name Fukwei repeated over and over again. He had no place to hide himself. He had no place to hide the mat-roll. He wished he could throw it away. He could only run as fast as his legs would carry him.

For this job, Fukwei earned two *sheng* of rice. It also launched him in a new trade. Any family with a baby dead would get him. Even the village urchins, while throwing curses at one another, would say: "You're as good as dead. Better get Fukwei to carry you away!"

When the New Year again rolled around, nobody would have him in the opera troupe. His very presence embarrassed people. They got a new man to take his place.

* * *

WHEN a man no longer had any face, he could not afford to be particular. During the long summer and early autumn, Fukwei became so hungry that he no longer felt any scruple about snatching a pumpkin or pulling out a bunch of turnips from others' farms. If anybody caught him, he would just take the scoldings, or take the beatings, covering his head with both of his arms. Face or no face, all that mattered was to have some food to eat.

One day in late autumn, Laowan's relative came to the village. He said Fukwei had stolen some turnips from his village, was given a 20 dollar fine, and at the moment was detained at the village office. When the news reached Silver Flower's ears, she rushed to Laowan to ask for his help. Actually Laowan's relative had come for no other purpose than to ascertain whether Fukwei still had any property. If he had, Laowan could very well afford to advance the 20 dollar fine; otherwise, Fukwei would have to be sent to the *hsien* magistrate. Laowan felt that although Fukwei had given him the four *mou* of land, he had not yet signed a deed of sale. Furthermore, Fukwei still owned a three-roomed house. He was still worth 20 dollars, and it would not be unprofitable for Laowan to take upon himself this act of mercy. So he said to Silver Flower: "Go home, when anything happens to one of the clan, the family has to go to his help even if he drags everybody down with him. What choice do I have when there is such an unworthy young man in my family!"

Laowan paid the fine and Fukwei was released. The first thing Fukwei did upon his return home was to sign a deed of sale of the four *mou* of land and his house to Laowan.

After the deed was sealed, Laowan consulted members of the family, and they concluded that the black sheep must be taught a lesson. In the night, some 20 men routed Fukwei out of his bed, bound him to a pagoda tree before his house and at an order from Laowan beat him with well-soaked hemp cords, cutting streaks of red all over Fukwei's body. Fukwei screamed like a pig being slaughtered, and Silver Flower knelt before Laowan pleading for mercy.

It took Fukwei one whole month to recuperate from the wounds, and he ate up all of the two *tou* of rice that Silver Flower had saved through slaving for more than half a year.

* * *

WHEN Fukwei was well again, Silver Flower said to him: "Don't go out anymore. See what terrible things you can fall into!"

But he replied: "How can I get any food if I don't go out!"

Silver Flower could think of no way either, and she could only weep.

That winter he again left his home. This time he turned out better than he ever did before. In less than a month's time, he returned, clad in a new suit of clothes and bringing five dollars for Silver Flower. She tried to find out how he got the money, but he only answered: "Never mind." And Silver Flower stopped asking. She used the money to buy some rice, also some cloth to make spring garments for the children.

Seeing that Fukwei's kids all had new clothes and that Silver Flower no longer went around borrowing rice, the villagers concluded that Fukwei must have been up to some major evil. All those who had lost animals suspected him.

* * *

WHEN the first month again rolled around, Laowan went to the city to attend the funeral of an important man. When he was about through with the feast, two trumpeters came to thank the gentlemen for attending the funeral. Laowan saw that one of them was Fukwei. Fukwei also saw that Laowan was seated at the feast, and he quickly turned his face away.

When the funeral was over, Laowan and Fukwei went back home taking separate ways. Carrying the several dollars he had earned in his pocket, Fukwei did not feel that he had done anything wrong. But Laowan did not agree. He felt that it was necessary to get rid of Fukwei once and for all.

That night Laowan called a conference of all the important persons in the Wang family and said: "Fukwei has lived enough! He goes to the city and becomes a trumpeter! If any outsider should know of this, not a single member of the Wang family would be free from humiliation. We and he share the same ancestor. He is like a heap of dog droppings smeared on all our heads! What do you people say we should do?"

Now, Fukwei's village was situated in an area where the people fussed a great deal about social position. A trumpeter was considered a "turtle" —a man so vile that he would make prostitutes out of his female kin. It was not strange that Laowan's words aroused anger in everybody's bosom. Some shouted: "Beat him to death!" Others cried: "Bury him alive!"

Because Laowan had gathered together quite a crowd, it was no easy matter to keep the information from leaking out. Somehow Fukwei's good neighbor woman got wind of it and she whispered to Silver Flower. Silver Flower promptly told Fukwei and he ran away that very night.

For eight long years, the village heard no more of Fukwei. Silver Flower stayed with her children. When the elder boy reached fifteen, he was hired out to a landlord to tend cattle. Other kids called him "Little turtle."

Within one year after Fukwei's departure, the Japanese occupied the village. People advised Silver Flower: "Find yourself another man. What future do you have with Fukwei?"

Silver Flower replied: "You don't know him. He is not a bad man."

* * *

WHEN the Communist cadre learned of Fukwei's story, the chairman of the Farmers' Association sought him out and said to him: "We have settled Laowan's accounts. All that he had taken by exploitation from others has been returned to its original owners. You have also been exploited, and we propose to give you several *mou* of the Temple's land to till. What do you say?"

Fukwei was greatly excited, jumped up and said: "All these are small matters. I don't want anything. I

only want to have a few words with Laowan before everybody so that I need no longer live under the shadow of my shame!"

That evening in the winter-school class, the chairman of the Farmers' Association announced the purpose of the meeting. Some old-fashioned people heartily disapproved of the idea. They were unwilling to sit in the same meeting with a turtle. Aware of their feelings, Fukwei stood up and said: "Venerable gentlemen! I returned to this village more than half a month ago. I wanted to talk with you, but no one would come near me for fear of contamination from a turtle. The minute I come to a place everybody else moves away. Tonight I am going to ask patriach Laowan to explain something and I ask you to bear witness.

"Well, venerable Laowan, our accounts are easy to calculate. I owed you 30 dollars and two piculs of rice. For this debt I gave you a house and four *mou* of land and five years of labor. Don't be afraid, I did not come here to settle this with you. I only want you to tell them whether I am a good man or a bad man."

Laowan was puzzled. He thought for a while, looked around, then looked at Fukwei and said: "That's seeking a quarrel with me. If you have any grudge against me, say it outright. I've paid for all that I had exploited from others, and I might just as well settle my accounts with you."

Fukwei said: "I am not seeking a quarrel. I don't want any damages from you. I only want you to say what kind of a man I was. Well, if you won't, I'll say it myself. I have been a good boy since childhood. I had not done the least bit of wrong up to the age of 28."

And the old people among the congregation agreed: "Yes, that's true!"

Fukwei continued: "Then I turned bad, I gambled, I stole things, and I became a turtle. . . . I gambled because I was hungry. I stole things because I was hungry. I became a turtle because I was hungry.

"What made me hungry? Because my mother used one of your coffins and some 10 dollars worth of cloth and goods. I worked for you for five years but I could not pay your debt. In the end you took away my land and I became hungry. I turned bad when I was 29 and stayed bad for six years. The insults I swallowed, the beatings I took, and the tears I shed during that interval cannot be counted. Even now, people call me a bad man. They shy away from me and call my kids: 'little turtles.' All this I owe to you! "I escaped to Liaohsi. It was when that place became an Eighth Route Army base, when the government undertook to reform loafers that I was sent to reclaim land in the mountains. I did not earn much during the past eight years. But I've bought an ox, saved one cellar full of grain and another cellar full of potatoes. I came back to get my wife and kids, and I had not intended to settle accounts with you. But if I go away without explaining things, my reputation as a bad egg will last forever. This is why I ask you to explain things to everybody.

Tell them what kind of a man I really am, and who is responsible for making me a bad egg!"

Tientsin's New Consumers

By producing for mass needs, Tientsin is also creating mass purchasing power, so that the city's workers will be able to buy the goods they produce.

THE past year has brought about a great change in the status of the consumer in Tientsin. It is marked by the creation of a broad consuming public in place of the small, privileged group of buyers that existed before.

One need only pay a visit to Tientsin's largest department store to see the change. Formerly called the Chung Yuan Company, it now has a new name, Hua Pei Bai Hua (North China Department Store), and a new clientele. Soap of all grades and types is displayed, mountains of towels, fast-color bedspreads and table cloths, rubber, leather and the popular fur-lined shoes, radios, fountain pens, sporting goods, leather and fur jackets, gloves and fur hats, knitted goods, sugar and confections —all going over busy counters to new customers. The store is closed on Mondays but open on Sundays—when the workers have time to shop.

It is hard to describe in simple terms just how this has come about. But it can be traced to the new policy of producing goods to meet mass demands. This production policy is at the same time creating mass purchasing power. In other words, for the first time the people of Tientsin are becoming able to buy the goods they produce.

The type of major imports brought into Tientsin during 1949 illustrates this policy in action. Where formerly nylons, cosmetics, liquor and and cigarettes formed the bulk of miscellaneous goods imports, Tientsin now is bringing in metals, cotton, rubber, building materials, chemicals and drugs, paper, dyestuffs and machinery—material which can be turned over to local industry and manufactured into products which the workers themselves can buy.

Industry itself is turning from non-essential lines to producing goods that will meet mass needs. For example, the number of looms used to produce cotton cloth is being constantly increased, partly at the expense of those engaged in weaving silk. Formerly, there were 45 mills engaged exclusively in silk weaving. This number now has been reduced to 14. This does not mean that people may not wear silk. It does mean that widespread consumer needs for cotton cloth will be met first.

During the last seven months of 1949, the Jen Li Woolen Mill turned out tons of industrial woolen fabrics. Formerly these were all imported and the mill wove ladies' dress woolens and Western suit material. In another local woolen mill gunny bags for grains and salt have taken temporary priority over fine woolen yarns until additional factories can be built to meet the great local demand for gunny bags.

The demolished 7th Mill of the China Textile Corporation was rebuilt and reopened last September with 10,000 spindles and 300 looms. Plans call for an eventual 28,000 spindles. The 2,000 workers discharged after the destruction of the factory are back on their jobs again as workers—and consumers.

The year-end report of the Tientsin Bureau of Industry and Commerce shows that commercial enterprises, too, are following the trend of meeting popular consumer needs.

During 1949, some 5,814 new shops were opened, while 1,104 shops closed. The largest single group of new shops, 11.1 percent of the total, were confectionaries and miscellaneous goods shops. Next came retail grain shops, forming 8.8 percent. The other new shops includde coal, kindling and charcoal selling establishments, building material retailers, food accessories shops and dyestuff dealers.

Most of the shops which closed during the year were gold and silver ornament shops, caterers of southern delicacies and canned goods, pawn shops, picture-framing shops and woolen and silk shops.

Cooperative stores are springing up to supply staple goods such as food, cloth and coal briquettes to the public at the lowest possible price.

The Tientsin Retail Company has been established under the Municipal Bureau of Industry and Commerce to supply such daily necessities as grain, cotton cloth and coal to the workers, teachers, employees, students and other laboring groups.

But Tientsin's new consumer does not limit his activities to satisfying material wants. Through the government policy of establishing and maintaining health, educational, recreational anl cultural facilities, coupled with his increased purchasing power, the man on the street is becoming a consumer of these goods and services as well. Current literature, textbooks, novels, poetry, political and economic works are now available to him, at prices he can pay, at public bookstores. Or he need not buy. He can read or study pictorials in public reading rooms.

Rates in public and private hospitals and clinics are coming down to a point where the consumer can buy professional service. With medicines plentiful and retailed by a public pharmacy, the vicious pre-liberation practice of hoarding and speculating with essential drugs is a thing of the past, and the consumer is assured a supply at prices he can afford. Further, he is protected against poisonous or inefficacious drugs by a regulation of the Public Health Bureau which stipulates that medicines for retail sale must be accompanied by detailed labels and prescriptions.

The Tientsin consumer is thus becoming increasingly able to fill his needs, and the old gulf which used to exist between supply and demand is rapidly disappearing.

— BETTY C. CHANG

The Last Act on Taiwan

Despite US aid and Japanese recruits, the KMT hold on Taiwan is no more tenable than it was on the mainland, and the island's liberation is only a matter of time.

LIKE so many cities and provinces on the mainland a year ago, the island province of Taiwan is now facing liberation. Driven off continental China by the PLA, the Kuomintang finds itself in the absurd position of sitting on an island off the coast and claiming to rule all of China. Just as in the past, the KMT finds itself hard put to withstand its twin enemies—the PLA and the mass discontent of the people.

Prior to the liberation of Shanghai in May 1949, there was little evidence that the KMT would shortly be attempting to turn the island into a base for its last stand. Although it was at this time that KMT big shots began to talk of fortifying the island, and even of using it as a base from which a future counter-attack against the mainland might be launched, it was already evident that even the ordinary job of running this rich subtropical island was not progressing very smoothly.

The island's 6,500,000 inhabitants have long felt that they have been treated as the vanquished by the KMT administrators from the mainland rather than as members of a province of China. Immediately after taking over from the Japanese, the official Chinese government organization parceled out the major share of Taiwan's resources to Chinese government monopolies. Inflation, although less serious than on the mainland, became a real problem. However, the full force of the wilful currency depreciation hit the island after the issuance of the new gold yuan currency in August 1948.

As the collapse of the Kuomintang on the mainland neared, streams of rich refugees descended upon Taiwan. Between 300,000 and 500,000 were estimated to have arrived between the end of 1948 and February 1949. Although some of them eventually returned to the mainland because of the high cost of living, the influx of such vast numbers seriously affected the island's economy. As a result of the competition for daily necessities resulting from this sudden increase in population, prices soared out of reach of the average Taiwanese.

KMT Armed Camp

As the situation rotted away on the mainland, more and more KMT big wigs moved to the island. By the end of 1948 most of the Chinese navy and airforce had been moved there. The total effect was to make for a typical Kuomintang armed camp, one where outwardly there was much bristling of guns but in reality there was nothing firmer than the wooden fence erected around Shanghai (at a tidy profit to the city's commanding officer) just before the KMT gave up the city. In May 1949 the KMT *Central News Agency*, in an outburst against the then latest surge of profit seekers, urged the Taiwan provincial government to spend no more money on the "political rubbish" which had fled there.

As long as a year ago, business men—particularly representatives of foreign firms—were pessimistic over future prospects. Already government restrictions hampered their every move. The situation, they claimed, was much worse than on the mainland because the Kuomintang Government's policy of farming the island out to favored politicians resulted in "irregularities" such as squeeze and inefficiency, becoming "regular."

One foreign businessman, for example, claimed that the various industrial and commercial monopolies which accounted for the major part of the island's business were all in the hands of favored bureaucrats belonging to one or another of the innumerable cliques within the KMT. What little business there was left for private firms, he said, was so set about with regulations and restrictions that he found it nearly impossible to carry on. For instance, he claimed, it was necessary to get 52 seals on documents in order to export anything, even after all the normal arrangements, such as settlement of foreign exchange, had been made.

A unanimous complaint of the islanders was the manner in which the KMT had let the island run down. Roads, railroads, government factories, harbors, and so on were deteriorating rapidly because of lack of maintenance and repair work. The arrival of T. V. Soong early in April 1949 to work out a "solution" for Taiwan's currency crisis was interpreted in most circles as valid cause for alarm.

Independence Movement

A certain amount of talk about Taiwan's independence has been heard since the restoration of the island to China. This has been particularly true since the brutal suppression of the February-March 1947 revolt during which some 5,000 largely unarmed Taiwanese were butchered. However, the promoters of this movement are a relatively small group of native landlords and big merchants who, while fearing the Communists, also dislike seeing KMT carpetbaggers from the mainland skimming the island's cream. Their line generally ran to the effect that the islanders didn't like the mainland Chinese any better than the Japanese. However, when pressed with questions as to the practical solution of economic and other problems which would result once the island were freed from its economic ties with China and/or Japan, the usual reply was that "America would have to help."

As it became apparent to all that the KMT could no longer hold the mainland, an intense campaign was launched by the Kuomintang to convince the US that Taiwan was of strategic importance as a Pacific base and that therefore the US could not allow it to fall into "unfriendly" hands. This fitted in with the plans of the American die-hard supporters of Chiang, as well as those of some US military men who claimed that Taiwan was a vital link connecting the Philippines, Okinawa and Japan. However, after considerable discussion and argument, top US military and political planners, it is reported, decided the drawbacks outweighed the advantages and it was decided inadvisable for the US to interfere in an active manner.

Rapid Disintegration

Meanwhile, on the island itself events seemed to be taking their "natural" course under the KMT. While the latter was boasting of being able to hold the island indefinitely, the general situation deteriorated in much the same manner as it had all over the mainland. Few observers believed that the KMT could hold the island even if there were no attack from the mainland, while many predicted that before long the island would become bankrupt and administration would simply disintegrate.

Travelers from Taiwan reaching the mainland recently disclosed that slogans, "Support Mao Tze-tung", "Capture Chiang Alive" and "Welcome the People's Liberation Army" were appearing frequently on bridges, electric light poles, railway stations, and other places during the night. Economically, the disintegration has been equally rapid. One-third of the 300 machine factories on the island have ceased operations while the remainder are in a state of semi-paralysis, according to figures released by the Machine Industry Trade Association of Taiwan. Unemployment was said to have reached 800,000. The island's sugar industry was reported to have been crushed by the weight of exorbitant taxes levied by the KMT, while the blockade of the China coast cut the industry off from its main markets.

Large numbers of able-bodied males are reported to have been conscripted, while the military and secret police are said to be busy rounding up "dissident" elements among students and others. A number are reported to have been executed, while prisons are said to be overly-full. All of this was not a new story to those who had seen the KMT in action throughout the rest of China. The last minute atrocities committed in Taiyuan, Shanghai, Chungking, Chengtu

and other mainland cities were all preceded by actions similar to those now reported current in Taiwan.

Japanese Activities

While it now appears that the US has decided not to run the risks inherent in any program of all-out assistance to the KMT on Taiwan. It is quite obvious that a certain amount of limited, back-door aid is being doled out to Chiang. Economic aid is continuing, while permission has been granted the KMT to purchase surplus American arms at extremely cheap rates, which virtually amounts to free military aid. Also, the increasing participation of Japan in the affairs of the island could only come about with the tacit approval of General MacArthur and his superiors.

Shanghai Mobilizes Against Taiwan-Based Bombings

SHANGHAI this week was recovering from the disastrous air raid of February 6 and preparing to defend itself against new raids by Taiwan-based KMT bombers.

On that day, 17 American-made planes came over the city in four waves to bomb essential power and water installations. The planes—12 B-24's, two P-51's two B-25's and one P-36 — attacked the American-owned Shanghai Power Company at Yangtzepoo, the Water and Electricity Company at Chapei, the Chinese Merchants Power Company at Nantao, and the French Water and Electricity Works at Lukawei. They dropped between 60 and 70 bombs, destroying more than 1,000 homes and killing or injuring more than 1,000 persons.

Shanghai's official *Giefang Rhbao* declared that the bombings were "undertaken with the objective of disrupting our power, water and electricity supplies, our communications, and our production and reconstruction activities, in order to plunge Shanghai into a state of paralysis and confusion."

The result, however, has been to mobilize Shanghai into a state of grim preparedness. Intensified air raid defense measures are being taken, austerity enforced in the use of electricity, and the city's industries are being encouraged either to move elsewhere or to purchase their own power generating equipment.

A new system of air raid warnings has been inaugurated to alert the population when bombers are detected approaching the city.

The Public Security Bureau has organized an Air Defense Committee with five squadrons for garrising, fire-fighting, first aid, emergency rescue and publicity work in connection with air defense measures. First aid stations are being set up throughout the city equipped with medical supplies, foodstuffs and fuel. Air raid relief squads are being formed to give relief to air raid victims and safeguard the premises and equipment of hospitals. Air raid drills are being staged in government offices, factories and business concerns, with temporary shelters designated and instruction on first aid and fire fighting given.

To protect the city's industries, the Shanghai Military Control Commission has instructed them to erect superstructures on their roofs and surround the walls with sandbags. Combustible substances stored in godowns are being placed under strict control or transferred to safety areas. Shipping on the Whangpoo River is being decentralized, and vessels carrying combustible substances are not allowed near other boats or wharf warehouses.

Artesian wells are being drilled throughout the city to ensure the water supply in case it is cut off by further raids, and the Public Health Bureau has notified households with flush toilets to have receptacles available.

The Public Works Bureau is forming an emergency repair corps to keep roads, bridges and sewers in order.

The existing supply of electricity must be used for the maintenance of public utility services—street lights, transportation, postal and telegraphic services, hospitals and water and sewer mains. Other power consumption, therefore, is being drastically curtailed. Both commercial and residential users of electricity have been ordered to cut down to about one-fifth of their normal use, except in cases where the consumption has already been minimal. The use of electricity for advertising purposes, heating, cooking, hair dry ing and the like is prohibited.

Although production is virtually at a standstill, the prices of commodities, particularly industrial products, have been held in line by the action of the state trading corporations, which have kept a steady supply of essentials pouring into the city. During the week following the February 6 raid, the wholesale commodity price index advanced by only 5.28 percent over the previous week. Appraised ceiling prices have been put on certain commodities such as lighting equipment and first aid supplies to prevent profiteering.

By far the greatest problem, however, has been what to do about industry. There has been no attempt to hide the fact that industrial production has been severely crippled by the loss of electric power. Government and industrial circles, therefore, have decided on the following measures to help revive production.

1) Factories which are not essential to Shanghai are being encouraged to move to the interior.

2) Those factories which stay must readjust their mode of production. Large factories wherever possible are asked to obtain their own generating equipment, while medium and small-sized factories must reduce their dependency upon electric power and adopt labor production.

3) Joint production is to be encouraged among smaller manufacturers who are urged to pool operations wherever feasible and set up joint factories in safer zones with their own generating equipment.

The factories are responding to this program. Already a number have signified their intentions of leaving Shanghai, including the city's largest glass works, which is moving to Tsingtao. Interestingly enough, several of these establishment had been contemplating removal for a number of months, in line with the plan to cut Shanghai down to size after the imposition of the blockade last summer, but it took the bombing to bring these plans to fruition.

Other plants, notably the cotton textile, dyeing and weaving mills, are in the process of purchasing their own power generators. Twelve of the city's 55 privately-owned cotton mills already have installed generators with which it is anticipated they can operate 15 percent of their spindles, and three other mills are planning similar purchases.

Factory employees are cooperating with industry's attempts at self-regeneration. Workers at one worsted mill saved enough money to purchase one generator by giving up their lunar New Year food allowances and helping reduce maintenance costs. Employees at another textile mill gave up nine-tenths of their year end bonus to enable the mill to buy generating equipment.

Purchases of victory bonds in Shanghai took a noticeable jump upward after the bombing. One man whose home was demolished in the raid bought 1,000 units to speed the liberation of Taiwan. The total number of units sold in Shanghai from the time the bond drive opened in January to February 6, the day of raid, was 10,000,000. A week later the figure had more than doubled.

Shanghai's *Ta Kung Pao* declared editorially: "China will march resolutely forward along the path of industrialization, and no amount of bombing shall ever stop us.... Today's blood and fire in Shanghai are symbolic of our determined fight."

This cartoon from the *Giefang Rbbao* scoffs at the Generalissimo's prediction that he will return in four months. Caption reads: You are going toward your grave.

Evidence of Japanese involvement is not difficult to find. A 15-man Japanese advisory group was reported in Taiwan in December 1949 consulating with Chiang on plans for the organization of a "Japanese Volunteer Corps." Simultaneously with the arrival of this advisory group the supply commander of the KMT military headquarters for southeast China, Ho Shih-li, and Hollington Tong, press adviser to Chiang, visited Japan during the last part of December and returned to Taiwan in mid-January. The purpose of this visit was said to be the enlisting of Japanese military personnel for Taiwan.

The most exact information about the role of Japanese military advisers was contained in a public report by Japanese Attorney-General Shunkichi Ueda to the Parlimamentary Committee on Japanese volunteers in foreign armies. The report, made in November 1949, dealt with the activities of several high-ranking Japanese Army officers headed by former General Hiroshi Nemoto, one-time commander of the Japanese Army in China, who went to Taiwan at the end of January 1949. They left from the coast of Miyazaki prefecture, Kyushu, aboard a vessel of Taiwan registry. The group remained in Taiwan until the middle of August when, acting on instructions of General Tang En-po, the group went to Foochow. All of them were attached to the KMT army and participated in its operations. Following the defeat of the KMT in Fukien all the Japanese officers were evacuated to Taiwan and three of them returned to Japan at the end of September via a Chinese ship.

Although most of the Japanese-KMT relations have been carried out in relative secrecy they have all been entirely beyond the view of interested observers. In line with this was Sun Li-jen's hurried trip to Japan in an American Army plane early in 1949 to consult with General MacArthur. The trip was kept very quiet although American correspondents interviewed Sun upon his return to Taiwan and it was not until well over a month later that the incident was generally made known.

American policy regarding Taiwan apparently is taking the Philippines into consideration. According to the KMT *Central News Agency*, it was revealed that Chen Chih-ping, Kuomintang representative; Myron Cowen, American Ambassador to the Philippines; and President Quirino met recently at a secret conference in Baguio. The purpose of this meeting, according to the official news agency, was to coordinate the military plans of the US, the Philippines and the Kuomintang. The task of the Philippines was said to be the delivery of weapons received from the US to Taiwan, to serve as a depository for KMT funds and to make arrangements for shipping leaders of the Chiang regime to the Philippines in the future. Prior to the Baguiou meeting a conference was held at Tsaoshan in Taiwan where KMT leaders who attended accepted the decision to appoint K. C. Wu, former KMT mayor of Shanghai, governor of the island, to divine the power between the central and provincial governments and to delegate KMT representatives to Japan "to study the question of reinforcements."

US Aid Continuing

The Chinese view all these developments as evidence of the methods employed by the Truman administration in its efforts to continue aid to Chiang Kai-shek. Certainly it cannot be denied that is Washington appears to be doing two things at the same time. Acheson has issued a White Paper lambasting the KMT and placing all the blame for the successes in China of the PLA at the Kuomintang's door. Truman has publicly said that America was not going to interfere in China and reiterated the traditional American policy of the "open door."

Meanwhile, economic aid, through ECA, is continuing to Taiwan. When Washington explains that this is simply humanitarian aid and has nothing to do with politics, the Chinese simply point to the fact that the US has declined to great such "humanitarian" aid to areas of China governed by the People's government. They further point to the fact that the State Department has informed private American relief agencies that the United States Government no longer considers China a proper field for private relief.

The selling of military supplies, sometimes at a price of only a few cents on the dollar, basically amounts to military aid. If the KMT spends US$1,000,000 in buying ammunition and bombs at a rate of 10 cents on the dollar, the US is in reality selling one million dollars worth of supplies, and giving away nine millions worth. Technically it may be a purchase, but practically it amounts to military aid. Further, the Chinese point out, the help which Chiang is getting from Japan, and the reportedly forthcoming help from the Philippines would not be possiblle without American consent.

It would almost appear that American policy makers are attempting to devise a formula for continuing aid to Chiang but in such a fashion that when the collapse comes the US will not lose any further "face." However, it apparently is not yet realized that continued aid to Chiang, no matter what form, is simply a negative action, the only possible result of which will be the intensification of Chinese hostility toward the US.

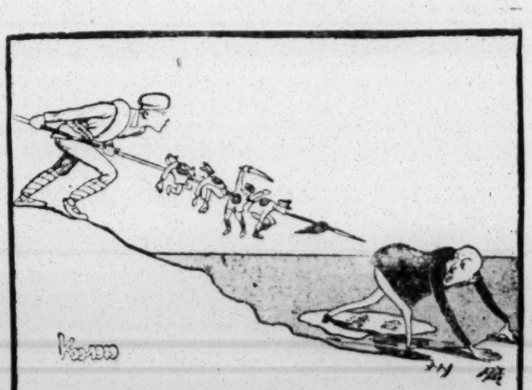
Taiwan Untenable

It was not only American policy which failed in China. It was the inability of the KMT to withstand the pressure of a revolution which is sweeping Asia. It was not because of a lack of aid that the KMT fell. It was kicked out by the Chinese people. In keeping the KMT alive on Taiwan, in providing it with the means to bomb the cities of China, which basically have no strategic value, the American government is simply proving to the Chinese people that it is their enemy.

The fact remains that Taiwan is untenable so far as the KMT is concerned. It is going to be liberated by the PLA and it will be done when that army, which could not be stopped on the mainland when it was outnumbered and outgunned by the KMT, has made all necessary preparations.

American policy so far is apparently following the same path in Taiwan as it did all over China. It is difficult to tell who are more to blame, the Republicans, who for political capital urge military intervention, or the Administration, which realizes that the situation in Taiwan is hopeless but nevertheless—because it is committed to a world-wide "cold war" with communism—insists on propping up a regime which it knows full well is destined to crumble.

— JULIAN SCHUMAN



Recent military Victories scored by the People's Liberation Army are seen as spearheads toward Taiwan in this cartoon from the *Wen Hui Pao*.

Land Reform in Pa Kou Village

A model land reform area in the suburbs of Peking, where the influences of the city necessitated a different approach and the application of new principles.

PA Kou village is one of the model land reform areas in the suburbs of Peking. The reform was introduced on June 14, 1949. It is now practically completed.

Pa Kou village lies about a mile southwest of a townlet called Hai Tien Chen which is on the highway between Peking and the Summer Palace. The village covers an area of about five li from east to west, and about three li from north to south. It embraces some 5,380 *mow* of land. Of this, 1,200 *mow* consist of water fields (in China certain crops are cultivated in fields covered with water —Ed.), 3,600 *mow* are dry fields, and 400 *mow* are horticultural land. Average land per capita is 2.08 *mow*.

Of the 539 households in the village, 105 have been completely divorced from agricultural pursuits. These families are principally pedicab drivers, small vendors and handicraftsmen.

In other words, from one-third to one-fourth of the population depend on the city of Peking for their livelihood. Such a semi-agricultural village in the vicinity of a large city has, therefore, its own special characteristics with regard to the ownership and utilization of land.

Population Classifications

With the introduction of land reform, these characteristics necessitated a new approach to the task of classifying the population, and the result has been to bring some new "classes" under consideration. After careful study, the village population was classified as follows:

1) Feudal landlords—who depend entirely on the rental of their holdings, most of them exploiters of the tenants, performing no labor themselves, and possessing large holdings.

2) Cultivating landowners — who employ peasants to work on their holdings without performing any labor themselves, most of them exploiters of their employees, and possessing holdings generally in excess of those of middle class peasants.

3) Agricultural capitalists — who rent about 75 percent of their holdings and employ hired labor, performing no work themselves.

4) Rich peasants — who work themselves, but own more land than middle class peasants and derive more than 25 percent of their income from the exploitation of workers.

5) Rich tenant farmers — who work on land rented from others but rely principally on hired labor.

6) Middle class peasants — who cultivate their own land.

7) Poor peasants — who work on rented land.

8) Hired hands—who work for the exploiters.

A village near a city cannot be free from the influences of commercial capitalism, and this cannot be divorced from the capital of usurious money-lenders. In Pa Kou village, the peasants had suffered very seriously from this exploitation. Commodity prices fluctuated violently during the days of the Kuomintang rule, and the peasants, whose sources of information were never very up-to-date, often found that the price of their produce increased two-fold as soon as it passed into the hands of the merchants. The exploitation of middle men was felt in the numerous processes the produce went through from the time it was harvested until it was ready for market.

The exploitation of the landowners was equally exorbitant. A tenant who worked on a dry lot had to give about 50 percent of his harvest to the landowner, and one who worked on a water field had to pay around 40 percent of his produce as rent.

The economic exploitation was of course carried out with the backing of political influence. The rulers in the Kuomintang days were none other than the agents of the landowners. Of the nine *Pao* chiefs in Pa Kou village prior to liberation, it was found that one was a feudal landowner himself, five were cultivating landowners, two were rich peasants, and the last was a direct appointee of the Kuomintang from outside the village.

Under this exploitation, the poor in Pa Kou village became poorer, and the rich richer. Many poor tenant farmers were converted into members of the proletariat in the rural areas, while the small number of landowners and rich peasants had access to ever larger holdings.

In the old liberated areas, land reform in principle was carried out on the basis of equal division of land per capita of the population. This principle was found impractical in the suburban areas which had a dense population and a small area of arable land, since an equal division of the latter could not support the owners.

Amendments Necessary

Some amendments to the principle of equal distribution were therefore necessary, and the Military Control Committee decided on the following:

1) Land of landlords is to be confiscated.

2) Land of rich peasants which is rented to others is to be requisitioned.

3) Poor peasants and hired hands are to be given sufficient land to meet their needs.

It was further decided that those not originally engaged in agricultural pursuits would not be given land.

One difficulty was encountered when most peasants showed a distinct preference for dry land over water fields, due to the fact that cultivation of the latter called for greater capital investment.

This and other problems were carefully studied by the authorities before the actual implementation of land reform in Pa Kou village. In principle, the share per capita amounted to 1.3 *mow* if first class land, 1.5 *mow* if second class land, and 1.8 *mow* if third class land.

Practical difficulties in the confiscation of the holdings of landowners were also given consideration. One notorious local bully, for instance, did not have a single member of his family working and he was also a major shareholder in a neighboring food store. His land was therefore confiscated in full. In other cases, provision was made for the family's needs.

Another feature of Pa Kou village, due to its proximity to the city, was the existence of a large acreage of horticultural land. The cultivation of such land called for considerable capital investment and technique, and breaking it up would have been economically undesirable. In such cases, the land was kept intact, but provision was made for the improvement of the treatment of the laborers and excessive livestock possessed by the owners was confiscated. The principle of due attention to the development of production was thus fully taken care of.

The accompanying table summarizes the ownership conditions of land in Pa Kou village prior to and after land reform.

— *SUN CHIEH-CHUNG*

(Translated from The Observer Magazine)

Average Land Holdings Per Capita In Pa Kou Village (in mow)

Class	No. of Households	No. of Persons	Per Capita Holdings: Pre-liberation	Per Capita Holdings: Post-liberation
Feudal landlords	5	27	22.93	1.24
Cultivating landowners	10	80	6.59	1.18
Agricultural capitalists	5	27	2.31	1.19
Rich peasants	12	83	3.78	2.43
Rich tenant farmers	9	69	1.33	0.94
Middle class peasants	128	668	1.53	1.53
Poor peasants*	188	901	0.81	0.81
Hired hands*	78	260	0.063	0.063
Others (non-agricultural)	105	283	0.227	0.227

* While the ownership of these two classes has not been increased, they have nevertheless been given more land to work on, rent-free, out of the confiscated holdings not otherwise disposed of.

NEWS OF THE WEEK

Sino-Soviet Treaty; US Revival of Japan; Conflict Over Indo-China

FOLLOWING the signing of the Treaty of Friendship, Alliance and Mutual Assistance between the People's Republic of China and the Union of Soviet Socialist Republics, in Moscow on February 14, Chairman Mao Tze-tung and Premier Chou En-lai are returning to China.

On February 16, J. V. Stalin, Chairman of the Council of Ministers of the USSR, gave a dinner in the Kremlin in honor of Mao Tze-tung and Chou En-lai, many distinguished Soviet and Chinese officials being present, and on the following day Chairman Mao and his party left Moscow for China.

During the last days of their stay in the Soviet Union, Chairman Mao and members of his party visited aircraft factories, collective farms, and saw the ballet "Swan Lake" at the famous Bolshoi Theatre. Wherever they went, reports say, the Chinese leaders were welcomed with great enthusiasm.

In his farewell speech at the railway station, Chairman Mao said:

"Dear Comrades and Friends! While in Moscow, I and Comrade Chou En-lai as well as members of the Chinese Delegation met with Generalissimo Stalin and responsible comrades from the Soviet Government.

"It is hard to express in words the complete mutual understanding and the profound friendship which are formed on the basis of the fundamental interests of our great peoples of China and the Soviet Union.

"Everybody sees that the unity of the great Chinese and Soviet peoples sealed by the treaty is lasting, inviolable and unswerving. This unity will inevitably influence not only the fluorescence of the great Powers—China and the Soviet Union—but also the future of all humanity the world over.

"During our sojourn in the USSR, we have visited a number of plants and collective farms. We have seen the great successes achieved by the workers, peasants and intelligentsia of the Soviet Union in the construction of socialism, we have seen the method of combining revolutionary spirit with a business-like attitude which the Soviet people have, a method developed under the leadership of Comrade Stalin and the All Union Communist Party of the Bolsheviks.

"This confirms the conviction which Chinese Communists always had: Experience of economic and cultural construction and construction in other major spheres of the Soviet Union will serve as an example for the construction of the new China.

"In he course of our sojourn in the capital of the USSR, Moscow, and in the city of the birth of the October Revolution, Leningrad, we received warm hospitality. Leaving the great socialist capital, we especially express heartfelt gratitude to Generalissimo Stalin, the Soviet Government and the Soviet people."

* * *

ACCORDING to the *New China News Agency*, treaties and agreements were signed as follows:

1. The Treaty of Friendship, Alliance and Mutual Assistance between the People's Republic of China and the Soviet Union.

2. The Agreement on the Chinese Changchun Railway, Port Arthur and Dairen, on the strength of which, after the signing of the peace treaty with Japan, the Chinese Changchun Railway is to be handed over in full possession of the People's Republic of China and Soviet troops are to be withdrawn from Port Arthur; and

3. The Agreement on the granting by the Government of the Soviet Union to the Government of the People's Republic of China of long term economic credit for the purchase of industrial and railway equipment from the USSR.

In connection with the signing of the above treaty and agreements, Premier and Foreign Minister Chou En-lai and Minister of Foreign Affairs A. Y. Vishinsky exchanged notes to the effect that the respective treaty and agreements concluded on August 14, 1945 between China and the Soviet Union have become invalid, and also that both Governments state full guarantee of the independent position of the Mongolian People's Republic as a result of the referendum of 1945 and of the establishment with it of diplomatic relations by the People's Republic of China.

Simultaneously notes were exchanged on the decision of the Soviet Government to hand over gratis to the Government of the People's Republic of China the property acquired by the Soviet economic organizations from Japanese owners in Manchuria, and also the decision of the Soviet Government to hand over gratis to the Governmen tof the People's Republic of China all the buildings of the former military cantonment in Peking.

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MOSCOW reports say that foreign observers in the Soviet capital expect commercial agreements between China and the eastern European people's democracies to follow the 30-year Sino-Soviet treaty signed on February 14.

The East German Foreign Trade Minister Georg Handtke is known to be negotiating a pact with China, and it is thought that parallel commercial agreements with the other people's democracies are being negotiated.

* * *

Chiang-South Korea Aid Bill

PRESIDENT Truman in Washington on February 14 signed into law the short-term South Korea-Nationalist China economic aid bill recently passed by Congress, known as the Far Eastern Assistance Act.

The measures provides for $60,000,000 aid to South Korea and continued economic help to Chiang Kai-shek on Taiwan.

The $60,000,000 has yet to be appropriated by Congress.

The new legislation will carry the South Korean aid program from February 15 to June 30 this year.

It also extends the time limit for spending money earmarked for the Kuomintang.

More than $100,000,000 remains to be used in this connection, but the Economic Cooperation Administration said only $10,000,000 could be used in this time.

* * *

US Revival of Japan

PHILIP Jessup, American Ambassador-at-large, declared at a press conference in Colombo on February 20 that the United States was not engaged in any effort to build a military bloc in east Asia.

He said this in reply to a question as to why "America is showing so much interest in southeast Asia."

Dr. Jessup emphasized that there would not be "intrusion" of American aid to any east Asian countries.

* * *

MEANWHILE Hongkong reports quoted by the *New China News Agency* say that the United States government is undertaking a very extensive arms program in Japan.

The Mitsubishi Company, the reports say, is planning to manufacture for the United States large caliber long-range guns, anti-tank guns and other weapons.

At the same time, according to the reports, the Mitsubishi Company's dockyards have started to

US Aid—A Soviet View

A Soviet view of American aid is shown in this cartoon reprinted from *Crocodile* magazine in the *Ta Kung Pao*. Uncle Sam tosses money to John Bull, then steals his gasoline. It obviously refers to US capital penetration into the Middle East, traditionally Britain's sphere.

fulfil an agreement for the repair of 80 warships belonging to the former Japanese Navy. It is reported that the United States government is requesting that this repair work be hurried up, and that the vessels should be handed over to the "Naval Peace Preservation Department." The Naval Peace Preservation Department was set up in Japan in 1948 and, *NCNA* charges, is engaged in training officers and men for a future Japanese Navy.

The Japanese Gunpowder Company, reports say, has received many orders from America for the manufacture of gunpowder, explosives, land mines and chemicals. Another Japanese firm has received orders for the manufacture of light and heavy tanks and armored cars.

Before placing these orders with the Japanese war industries, top staff officers of General MacArthur are said to have held secret consultations on the productivity of Japan's war industries and the supply of raw materials for the manufacture of military supplies.

Japan is to produce military weapons in accordance with an American plan and under the supervision of American officers, reports say. The new military weapons to be turned out by the revived Japanese arsenals will be delivered to a new enlarged Japanese army, and to other satellite countries in east Asia that are under American influence.

* * *

Conditions in Tokyo

POLICE in Tokyo have been busy lately rounding up vagrants who have congregated around Ueno Station in the city, Tokyo reports say. The vagrants were to be delivered to the Metropolitan Public Welfare Bureau.

Officers of the Bureau and Ueno police rounded up vagrants in the Ueno underground passageway. Instead of running away as they used to do last year, groups of bedraggled men, women and juveniles threw themselves into the path of the police to be caught so that they would be housed and fed.

"Those not wishing to be taken into custody may go," they were told. But the adults would not listen, and they came forward in increasing numbers to be arrested.

When the officers called it a day and retired, there were still about 300 vagrants left behind.

This cartoon from the *Hwa Shang Pao* in Hongkong pictures Korea divided at the 38th parallel. The northern half has risen but Truman sits on the southern half. Caption read: "Tomorrow you can stand up and throw Truman out."

These 300 "left overs" sent 40 representatives to protest. They demanded that the day's wages should be paid, that tents for shelter should be provided, and that they should be registered as day-laborers. When they were told that, except for tents, their demands could not be met, 20 of them began a protest sit-down strike in front of the metropolitan governor's office.

* * *

New Japanese Consulates

THE United States has authorized the opening of unofficial Japanese consulates in New York, San Francisco, Los Angeles and Honolulu, General Douglas MacAuthur announced in Tokyo on February 9.

The new consulates, to be known as "agencies," will not have diplomatic privileges. They will promote trade and deal with problems of Japanese nationals in the United States.

The State Department has followed up the announcement with an appeal to other countries, and to the Kuomintang on Taiwan, to issue similar invitations to "stimulate trade with Japan."

In December last, at a meeting of the Far Eastern Commission, the Soviet Union vetoed a United States recommendation to allow the Japanese to set up trade agencies overseas.

* * *

KMT Ship Wins Suit

THE 3,805 ton Chinese Nationalist steamer *Union Builder* sailed from Sydney harbor, Australia, on February 17 after being freed from arrest.

The Australian Equity Court dismissed an interim injunction taken out nine days before by the United States Government to prevent the vessel leaving Sydney on the ground that the Chinese Nationalist regime had defaulted on mortgage repayments of $500,000.

The court ruled it had no jurisdiction over a foreign sovereign power.

The *Union Builder* is now on its way to Melbourne with a cargo of steel.

* * *

Ships as Warehouses

THE China Merchants Steam Navigation Company has applied to the Hongkong government for a permit to use three more ships as floating warehouses, according to the Hongkong Chinese press.

This follows the Company's conversion of a vessel for storage of goods.

The Company hopes to be able to offer merchants storage space for 90,000 tons of goods if the government approves the application.

A company official reported that he had already received a large number of applications for storage space.

A press report said that the government would not allow inflammable goods to be stored aboard ships.

* * *

Hongkong Strike Settlement

THE acting manager of the Hongkong Tramway Company announced the resumption of tram services in Hongkong on February 10, which brings to an end the 44-day strike of the company's workers. Union representatives and the acting manager have reached a temporary settlement that will stand while the dispute is under arbitration.

The police department of the Hongkong Government, which wrecked and closed the premises of the Tramway Workers' Union, promised to withdraw from the premises and pay compensation for all damages. When the workers re-entered their premises on the morning of February 10, a ceremony was held in which the flag of the People's Republic of China was hoisted over the building.

The Tramway Workers' Union has issued a statement pointing out that it will continue to struggle for release and return of arrested and deported workers.

* * *

Conflict Over Indo-China

A split in the Cabinet of the government of Thailand followed a proposal by Premier Marshal Luang Pibul Songgram to give prompt recognition to the three French puppet-states in Indo-China, Bao Dai's regime, Cambodia and Laos.

The discussion on recognition was deferred after the Cabinet failed to reach unanimity on February 14, a Cabinet spokesman said in Bangkok. Reliable Ministerial sources confirmed that Thai Foreign Minister, Phot Sarasin, was among the group of Ministers who opposed the recognition proposal.

It was also reliably learned that the Cabinet opposition, based on the advocacy of a political "wait and see", was reinforced by strong Army General Staff representations that recognition of Bao Dai's regime would cause grave internal unrest in Thailand's northeastern provinces bordering on Indo-China.

* * *

WHILE it is reported that the French and puppet forces in Indo-China are attempting to launch an offensive against Vietnam positions 60 miles southeast of Hanoi, news from France says that French workers have taken active measures to prevent the shipment of arms to Indo-China.

In the French seaport of Nice, cases which the police said contained launching ramps for "special devices" were thrown into the sea by striking workers after a clash with government security guards.

The "special devices" were believed to be weapons resembling either the German V-1 or V-2 rocket bombs.

Manufactured in a factory at Cannes, the ramps were brought to Nice on a trailer to be loaded on to the cargo ship *Tafna*.

Their destination was not disclosed, but union leaders believed it to be

Articles of Interest:

Status of Macao Questioned

A PLEA for the restoration of Macao to China is contained in a recent article in the *Wen Hui Pao* written by Hu Shi-chi.

"Macao is the territorial possession of the people of China," the article declares. "Both the facts of history and the provisions in treaties tell us that Macao is a leased territory which has not been ceded to a foreign power. Macao is Chinese territory and is not a possession of Portugal."

Tracing the history of the island, the writer states that the Portuguese "gained a foothold" in Macao in 1557, but until the signing, 300 years later, of the 'Protocol of Lisbon,' the Chinese Government exercised full sovereign powers.

Portugal sent administrative officials, he explained, but their status was that of Customs officials assisting the Chinese government.

But in 1849, he relates, trouble arose with the Portuguese officials, when "using the pretext that Chinese officials had murdered Portuguese officials, they refused to pay rental on the land leased, expelled Chinese officials by force, occupied Chinese Government offices and closed the Customs House." They also refused responsibility for the collection of opium tax for the Chinese Government on the grounds that no treaty relations existed between China and Portugal.

The corrupt Manchu government was passive. Thereafter, he notes, "rampant smuggling" broke out with a consequent decrease in China's revenue receipts, to the great dissatisfaction of the British Inspector General of the Chinese Maritime Customs.

These and similar factors, the article explains, formed the background of the "Protocol of Lisbon," a so-called "Sino-Portuguese" treaty, signed in 1887 by the British Commissioner of Chinese Customs and the Portuguese Foreign Minister. With the conclusion of this treaty, and the Treaty of Peking, signed during the same year by the Chinese Foreign Minister and the Portuguese Minister to China, "the Portuguese Government began to assume officially complete sovereignty over the area."

Hu Shi-chi observes: "Not only the Portuguese Government, but various Chinese and foreign scholars have since interpreted the provisions of these two treaties to constitute the ceding of the territory of Macao to Portugal. This is a very grave error."

He then quotes the relevant articles in both treaties. The Four Articles of the Protocol of Lisbon read:—

"1) A treaty of friendship and commerce with most favored nation clause will be concluded and signed at Peking.

"2) China confirms perpetual occupation and government of Macao and its dependencies by Portugal, as any other Portuguese possessions.

"3) Portugal engages never to alienate Macao and its dependencies without the agreement of China.

"4) Portugal engages to cooperate in opium revenue work at Macao in the same way as England at Hongkong."

The relevant Articles in the Treaty of Peking read:—

"Article 2: China confirms, in its entirety, the second Article of the Protocol of Lisbon, relating to the perpetual occupation and government of Macao by Portugal. It is stipulated that Commissioners appointed by both Governments shall proceed to the delimitation of the boundaries, which shall be determined by a special Convention; but so long as the delimitation of the boundaries is not concluded, everything in respect to them shall continue as at present, without addition, diminution, or alteration by either of the parties.

"Article 3: Portugal confirms, in its entirety, the third Article of the Protocol of Lisbon, relating to the engagement never to alienate Macao without previous agreement with China.

"Article 4: Portugal agrees to cooperate with China in the collection of duties on opium exported from Macao into Chinese ports, in the same way, and as long as, England cooperates with China in the collection of duties on opium exported from Hongkong into Chinese ports."

Even if the terms of these treaties are accepted, Hu Shi-chi comments, they do not constitute a ceding of Macao to Portugal. The same terms, he argues, appear in various agreements granting "concessions" to foreign countries in various Chinese ports.

In granting Portugal "perpetual occupation and government of Macao," claims Mr. Hu, "China only gave Portugal 'perpetual lease' rights and administrative rights in Macao. China's sovereign rights over the territory were still preserved and never given away . . . 'Government . . . as any other Portuguese possession' only meant that the 'administrative' measures employed in Macao by the Portuguese could be the same as those applied in Portugal." And he points out that implementation of this clause was conditional on a "special convention" for the delimitation of boundaries which was never concluded.

The article concludes: "The time has now come when we must restore Macao altogether, and there is no need to discuss the question of delimitations. The Lisbon Protocol was signed by a Britisher, Campbell, and was not even ratified by the Manchu Government. As a protocol, it should not have the effect of a regular treaty. And the Treaty of Peking has already been abrogated, so that the special rights of the Portuguese over Macao have ceased to exist. There is no ground for the continued occupation of Macao by the Portuguese. The area should be restored to China."

Indo-China and appealed to workers to stop the shipment.

A strike of urban transport workers in Nice, called by their union, began on February 14. About 800 strikers went to the harbor front where the cases of military equipment were guarded by security guards. The strikers threw the cases into the sea.

Reinforcements of security guards were called and used tear-gas bombs to disperse the striking workers.

* * *

THE United States Government has invited France to submit to the State Department a list of arms and military equipment which France might want to be sent to the new puppet state of Bao Dai, State Department officials told newsmen in Washington on February 14.

It was emphasized that no commitment had been made to send arms.

It is understood that the State Department is considering a scheme under which arms could be transferred to the local Bao Dai authorities.

* * *

News From France

IT is reported that France will receive five American destroyer escorts under the $1,000,000,000 American arms aid program for western Europe.

The French Government has also requested a medium-sized American aircraft carrier.

However, the bulk of France's share of arms aid this year is scheduled to be infantry equipment and armored weapons that will be used to build up France's land forces and police, Washington reports say.

* * *

IN Paris on February 9, several thousand industrial workers downed tools for two hours in a "short time" strike for higher wages, organized by the General Labor Confederation (CGT).

At the same time, steel-helmeted anti-riot squads of police took up street positions outside the Palais des Sports, where workers were gathering for a public meeting.

Police carried rifles and tear-gas equipment.

The strikers carried banners with slogans calling for peace in Indo-China and a return to free bargaining.

* * *

American Arms Advisers

THE names of seven American military officers appointed to European capitals to advise on problems of supplies and military training involved in the $1,000,000,000 Atlantic Pact arms plan have been published in Washington. They are:

Brussels: — Brigadier - General Charles T. Lanham, wartime infantry division commander;

The Hague:—Rear-Admiral E. P. Forrestal, who held a command in the Pacific theatre;

Rome: — Brigadier - General H. Norman Schwarzkoff;

Copenhagen: — Brigadier-General

Ralph A. Snavely, night-fighter and jet propulsion expert;

Oslo:— Rear-Admiral R. E. Jennings;

Paris:—Major-General G. J. Richards, of the United States General Staff;

Britain: — Major-General Leon Johnson, who commanded a heavy bomber group in Europe during the last war.

* * *

The Defeated Return

TWO Italian troopships loaded with men and supplies for Somaliland left Naples on February 6 on the first lap of their voyage to Africa.

The troops are due to disembark at ports in Somaliland, and they will take over from British forces who previously threw the Italians out of Somaliland during the Second World War.

Italy has been granted control of Somaliland by the United Nations Trusteeship Council.

The Italian Senate is still debating a bill, already approved by the Chamber of Deputies, allowing 3,000 men and officials to leave for this former Italian East African colony.

While the debate continued, the troopships made a hurried departure from Naples to avoid popular demonstrations. Italian Socialists and Communists, who have opposed the return of Italy's colonies, were reported to be preparing to take action similar to that which they took when Mussolini sent troops to Africa.

* * *

Struggle for Oil Monopoly

BRITAIN has heavily cut purchases of oil from American oil companies in an effort to save dollars. But, according to the authoritative *Wall Street Journal*, strong American protests, including a strongly worded statement from Secretary of State Acheson, have caused Britain to bring forward a compromise plan on the oil dispute. Britain has agreed not to make any further cuts until 1952. However, the compromise plan does not allow American companies to sell oil to Britain for dollars, and American oil companies say that the British restrictions, which will come into effect on February 15, will cost them 4,000,000 tons of export oil a year.

This latest development in the Anglo-American "oil war" resulting from Britain's decision to cut down on dollar oil purchases was reported by the *New York Herald Tribune*.

The *Herald Tribune*, quoting an authoritative trade source, said: "The British answer to American demands for modifications of the restrictions on dollar oil confirms an opinion that, unless Washington acts promptly, the international oil trade will come largely under Britain domination."

* * *

British Election Campaign

CONSERVATIVE leader Winston Churchill's speech in which he made statements regarding a new approach to the Soviet Union on atomic energy control is said to have brought a new note into the British election campaign, now entering its last week. Up to this point, the election campaign had been conducted almost exclusively on domestic issues.

Addressing an audience in Edinburgh, Churchill suggested that he might personally approach Generalissimo Stalin if he were Britain's premier if the Conservatives won the election. The audience is said to have been "thrilled" by the suggestion.

At the same time, Churchill said that American atomic weapons were "the surest guarantee of world peace."

On the subject of Churchill's attempt to catch the votes of large numbers of people who fear the consequences of an atomic arms race, British Labor Party leaders said that they would not try any similar "stunts." Foreign Minister Bevin said he was going straight through with "steady, thorough methods of negotiations."

The parliamentary leader of the Liberal Party, Clement Davies, issued a statement "warmly endorsing Mr. Churchill's proposal that a new and supreme effort should be made at the highest level to bridge the gulf between the Western world and Russia."

Labor Chancellor of the Exchequer, Stafford Cripps, in response to an attack by Mr. Churchill that

Chinese Press Opinion:

The Sino-Soviet Treaty

COMMENTING on the significance of the Sino-Soviet Treaty and the new Agreements recently concluded in Moscow, the *Giefang Rhbao* of February 16, 1950 in an editorial entitled, "Support for the Mighty New Treaty and Agreements Between China and the Soviet Union" pointed out: "The new Treaty and new Agreements for Sino-Soviet friendship and cooperation, which are of the highest political importance and the mightiest historical significance, were signed in Moscow on February 14, and their full texts have been announced. This is the concrete manifestation of the further consolidation and development of the mighty unity and profound friendship of the peoples of China and of the Soviet Union. It is a powerful and important guarantee against imperialist aggression and for the safeguarding of lasting peace in the Far East and the world. At the same time, it produces the most positive effects on the economic and cultural construction activities of the peoples of China and the Soviet Union, especially on the present efforts of New China in the conquest of her current financial and economic difficulties and the gradual transition of the country into the state of peaceful construction."

"In the agreements reached," continued the article, "the problems connected with the Chinese Changchun Railway, Port Arthur and Dairen have been properly dealt with; the old Treaty and Agreements of 1945 which were signed by the Kuomintang reactionaries to cope with the demands of the imperialists have now been transformed into the new Treaty and Agreements which fully meet the demands of the new situation in China today. The sincere and mighty friendship of the Chinese and Soviet peoples is thus fully manifested . . . Fully defeated, too, have been all the schemes of instigation and dissension-sowing perpetrated by the American imperialists and their running dogs, the Kuomintang reactionaries."

"The signing of these agreements," concluded the article, "will help us to smash thoroughly the shady schemes and diabolical plots of blockade and bombing now perpetrated by the imperialists and their running dogs, the remnant influences of the Chiang bandits. It will also help us to conquer our financial difficulties, and restore and develop production gradually, as well as to proceed with economic and cultural construction enterprises in a measured manner. We, the people of East China, are determined to support fully this new Treaty and the new Agreements which are of the highest historical significance and political importance. We are furthermore determined to exert our utmost to effect the speedy liberation of Taiwan, of the whole of East China and of the whole of China."

* * *

THE *Ta Kung Pao* of February 15, 1950 under the title "Glorious Treaty" said: "As compared with the time of the signing of the 'Sino-Soviet Treaty of Friendship' of August 14, 1945, the present situation is mainly different in that: 1. Following America's decision to assist Japan, the aggression front in the Far East has been re-established. 2. The entire administrative powers of China have been shifted from the hands of the KMT reactionaries to those of the Chinese people. There is, however, one point in common, namely, the peace of the Far East is still under threat, and Japan and countries in league with Japan may start another campaign of aggression. But the new treaty of friendship has completely shattered all of Acheson's manufactured rumours about Soviet annexation of 'Manchuria.' Those Chinese who have also been skeptical about the Soviet lease of the Port Arthur-Dairen area and the joint administration of the Chinese Changchun Railway shall now be able to realize their past error."...

Labor's "wild financial extravagance has brought this country to the verge of bankruptcy," accused Churchill of "gutter-snipe politics" and "denegation of his country."

Mr. Cripps said: "I have been expecting him to break out into this sort of blustering and irresponsible vulgarity, which he apparently mistakes for reasoned argument. The old man has never had the slightest appreciation for peace-time economics."

* * *

WHILE this blustering is in progress, two parliamentary candidates are fighting under exceptionally difficult conditions. They are Hugh McAteer and James Steele, the two Irish Republican candidates who have to wage their election campaign from behind bars in a Belfast prison.

The Week's Business

Business is slack due to air raids and spring holidays; factories move to install generating equipment; food supplies plentiful; workers effect economies.

THERE was relatively little business during the period under review from February 9 to 22 lartly because of the spring festival holidays, when local commodity markets were suspended for five or six days, and partly due to the disruption of power cause by the February 6 air raid.

The financial situation was particularly stringent on the eve of the lunar New Year, February 16, when it was the customary practice for local businesses to settle their accounts. Four local banks, the China Silk Industry Commercial & Savings Bank, the Chekiang Construction Bank, the Sin Tai Bank and the Shanghai Branch of the Chekiang Commercial Bank were forced to close in succession on February 13 and 15 because of inability to meet liabilities and clearance deficits. After the lunar New Year holidays on February 21, another four banks, the Min Fu Bank, the Szechuen Commercial Bank, the Kai Yuan Bank and the Ta Teh Native Bank, followed suit.

The insolvency of these financial institutions was attributed to the generally adverse industrial conditions brought on by the recent enemy bombing, as many of the local banks have been unsuccessful in recalling loans extended to factories. At the same time the banks had to meet heavy withdrawals from depositors before the spring festival.

With a view to helping the local banking institutions tide over the spring festival, the People's Bank effected short-term loan grants.

As things stand, production at many of the local industrial plants is at a standstill following the recent indiscriminate bombing by the enemy planes on February 6, which wrought heavy damage to the power generating equipment of the city. To cope with the emergency situation during the period of power suspension, the workers of Shanghai have been active in helping management reduce maintenance costs.

At the Ta Chung Hua Rubber Goods Factory, the workers have agreed to a 50 percent pay cut until the end of February, pending new arrangements. Already more than 800 workers of the factory have left Shanghai for their home towns, and those workers remaining formed a vigilance corps to protect the factory. The Cheng Cheng Tai Rubber Goods Factory has made the same arrangement as the Ta Chung Hua, and more than 1,000 workers left the plant before the spring festival.

At the Cheng Feng Worsted Mill, the workers, in consideration of the difficulties confronting the management, voluntarily gave up their food allowances for the lunar New Year, while redoubling their efforts at work. The workers saved some JMP20,000,000 for management, sufficient for the purchase of a new generator.

Workers at the Chung Hsin Textile Mill cut their year end bonus to one-tenth of the original amount in order to enable the management to purchase power generating equipment. A movement has also been started at various industrial plants to install their own power generating equipment.

The state trading corporations, in the meantime, have intensified their control over the market in regulating supply and demand and checking the rising of prices, and a system of appraised retail ceiling prices was introduced for essential commodities in the past week. Ample quantities of staple foodstuffs are also being brought to Shanghai steadily. It was decided, at the recently convened Food Conference sponsored by the East China Food Bureau, to ship 800,000,000 catties of foodstuffs (equivalent to 5,000,000 piculs) to Shanghai within the coming four months, sufficient for a half year's consumption in the city.

Quotations

Following is a listing of representative commodity prices for the past week:

	Feb. 15 JMP	Feb. 22 JMP
Parity Unit	5,937	6,192
US dollar (note)	24,300	24,300
20's yarn	5,650,000	6,150,000
12-lb. cloth	262,000	295,000
Rice, 1st grade	285,000	285,000
Peanut oil	530,000	570,000
Coal briquette	28,600	28,600

Increases in Unemployment

UNEMPLOYMENT in America jumped 991,000 in January, increasing the number of those out of work to 4,480,000, the highest since the war, Secretary of Commerce Charles Sawyer announced in Washington on February 6.

* * *

WEST German unemployment figures shot up by nearly 340,000 in January to a total on January 31 of 1,897,700, according to official statistics issued in Bonn on February 6.

The total of unemployed at the end of 1949 was 1,558,500.

* * *

Soviet Atomic Progress

REPORTS on President Truman's decision to order the making of a hydrogen atomic bomb in America have given rise to much speculation and discussion in scientific circles throughout the world.

A leading East Berlin physicist, Professor Robert Havemann, has commented that the Soviet Union has probably mastered a new type of chain reaction weapon that is better than the American H-bomb.

Professor Havemann's article, which was published in the Socialist Unity Party paper *Neues Deutschland*, said that the new method consisited of combining hydrogen with "heavy" forms of certain metals in the so-called "hydrides."

This type of reaction has better prospects of success than the type which the Americans mean when they talk about their "H-super-bomb," he said.

"News from the Soviet Union concerning the application of atomic energy to peaceful purposes has in general led to the supposition that such atomic actions have already been achieved," Professor Havemann wrote.

"Mr. Truman's theatrical thunder," as the Professor described the projected American hydrogen bomb, consists of uniting super-heavy hydrogen (triton), whose aromo consists of one proton and two neutrons, with ordinary hydrogen. Out of this union comes one atom of helium and a great deal of energy.

"The disadvantage of this process is the exceptional rarity of triton and the general difficulty of manufacturing it," he said.

"The technical processes sketched here are generally known among atomic physicists and it would be totally incorrect to talk about an American monopoly in this field. The threat of a super-bomb, which the Americans have launched onto the world, is clearly aimed at the creation of panic among people who have weak nerves and are uninformed enough to take the White House's propaganda bomb at its face value.

"On the other hand, information from the Soviet Union leads to the conclusion that considerable technical progress along this path has already been made in that country."

China Textile Production

TRADE unions in China's state-owned textile mills will in future center their efforts on increasing production, the *New China News Agency* reported in Peking on February 12. This was the substance of an important resolution of the National Textile Workers' Conference and was the ratified by the enlarged Standing Committee meeting of the All-China Federation of Labor on February 9.

The resolution of the National Textile Workers' Conference said that the glorious task of Chinese textile workers today was to overcome all difficulties in the way of increased production and the development of the country's textile industry. The objective is to help accumulate capital that can be used to expand China's heavy industries.

In the state-owned textile mills, the best interests of the working class lie in increased production, the resolution pointed out. For this reason, the trade unions must work to increase output, to eliminate waste, cut down production costs, raise labor efficiency and the quality of finished products.

The trade unions must organize the workers to help them work out their individual and collective production plans.

The trade unions must step up their work in educating the workers and raising the political consciousness of all working men and women.

Honan's Famine Relief Program

Review correspondent Mark M. Lu reports on plans to combat spring famine in Honan province in the following dispatch from Kaifeng:

OVER the past decades, in nine years out of 10, the people of Honan have suffered from devastating famines. According to statistics published in 1948, more than 7,356,000 mow of land in the province had become desolate over the years and the harvest yield for each mow of fertile land had been reduced from an average of 160 catties to 135 catties.

In June and July 1949, parts of the province again experienced drought, locust invasions, other insect attacks and hurricanes. In August and September the torrential rains resulted in terrible floods in many parts of the province so that by autumn the expected harvest had been reduced by an average of 35 percent throughout the province.

In some parts of the province the harvest was reduced by as much as 50 percent and in the most seriously affected regions crops were a complete failure. According to an early estimate made by the Provincial Government, more than 55 hsien or districts in the province are facing famine conditions. Six hsien are suffering from drought; 10 hsien from hail; 16 hsien from locust and insect attacks; 50 hsien from flood conditions. In some districts there has been a combination of two or three of the above-enumerated calamities.

Generally speaking, the famine stricken area of the province covers 10,600,000 mow of which the flooded area occupies 8,000,000 mow. The famine victims number approximately 4,000,000 people of whom 3,000,000 are flood sufferers. It is estimated that approximately 1,000,000 people are facing very serious conditions.

Favorable Factors

In order to combat a severe famine in the spring, the Honan Provincial Government has mapped out a gigantic famine relief project. Although the spring and autumn harvests in 1949 were both small, and although there has been some fluctuation in commodity prices and there are still some unemployed in the cities — in spite of all these problems—government workers are confident of conquering the difficulties now facing the province's population. The reasons for this confidence are based on the following factors: the success in wiping out bandit groups which have long infested this province and the rapid restoration of the communication network which is so vital to the province's economic recovery.

Except for certain isolated regions in the province, like the Funui Mountains in Western Honan, and in Huangchuan on the Honan-Hupeh border, 90 percent of the bandits have been wiped out. From the end of July 1949 until the present time, more than 73,000 bandits have been apprehended.

Communications throughout the province, including the vital Pinghan and Lunghai Railways and the eight main highways running through the province, have been restored. Industry and commerce in the 14 chief towns, each of which possesses a population of over 30,000 and a total of 255,472 shops of various kinds, is gradually recovering and developing. In this connection, too, it should be pointed out that there are in the province a number of experienced cadres who are working with the people on a production drive to tide over the spring season.

Organize for Production

Basic to the famine relief project is the emphasis of all government departments on province-wide organization to increase production.

Manpower, various kinds of vehicles, and cattle are being organized to transport foodstuffs, salt, coal, cotton, yarn and other daily necessities. At the same time the masses of people are being mobilized to press oil, feed silk worms, weave pongee, grind flour, burn bricks, plait straw hats and willow baskets, make cigarettes and paper, open mines and engage in every activity which will help the production program.

The banks are lending 10,000,000 catties in the spring to the poorer sections of the population to encourage them to engage in rural production. Loans are also being made to various enterprises with the aim of increasing their production by 150 or 200 percent. Plans are being made for the government and various public departments to purchase and absorb as far as possible any products made by the famine sufferers. Soldiers, too, are to join the production fight wherever they are stationed, devoting a portion of their manpower and cattle to the farmers during the plowing season.

At the same time every effort is to be made to aid factories moving to Honan from the coastal and inland areas. Poor people and unemployed workers will be organized into transportation units and orders will be placed with them for the production of shoes for the army.

Thrift Campaign

The movable assets of landlords, rich farmers, and local bullies which have been confiscated by public trials will be allocated fairly and invested for productive purposes. Useless waste has been strictly prohibited. Farmers are being instructed in the collection of wild vegetables, foliage and bran and are being urged to plant rape which can be used as an emergency food in the spring.

All government officers and soldiers are being asked to tighten their belts a little. During January, February, and March, each of them has been asked to eat one liang, or ounce, of food less every day in order to relieve food conditions expected in the spring. In this way it is expected that 1,200,000 catties of food will be saved.

Plans have already been made to relieve famine sufferers and utilize their manpower in the spring by river digging, road repair, transportation of foodstuffs and construction work.

With a view toward controlling the rivers and preventing floods, the government is allotting 4,000,000 catties of foodstuffs in the winter and 15,000,000 in the spring toward these projects. About 10,000,000 catties are to be allocated for road repair and 3,000,000-5,000,000 catties for construction work throughout the province. In addition, the Yellow River Conservancy Bureau will spend 4,000,000 catties to construct dikes and the Pinghan and Lunghai Railway administrations will spend 4,000,000 catties to purchase gravel. All these projects will be carried out by labor relief groups.

The Provincial Government will also allot 5,000,000 catties, plus the 1,200,000 catties saved by the soldiers and government officers, for the purchase of miscellaneous cereals and oil cakes for distribution to the famine victims in the spring.

TEXTS OF SINO-SOVIET PACTS

Communique on the Signing of the Treaty and Agreements between the People's Republic of China and the Soviet Union.

OF late, negotiations were held in Moscow between Mao Tze-tung, Chairman of the Central People's Government of the People's Republic of China, and Chou En-lai, Premier of the Government Administration Council and Minister of Foreign Affairs on the one hand and J. V. Stalin, Chairman of the Council of Ministers of the USSR and A. Y. Vyshinsky, Minister of Foreign Affairs of the USSR on the other, during which important political and economic questions of relations between the People's Republic of China and the Soviet Union were considered.

These negotiations which proceeded in an atmosphere of cordiality and friendly mutual understanding confirmed the desire of both parties to strengthen and develop in every way relations of friendship and cooperation between them as well as their desire to cooperate for the purpose of ensuring universal peace and security of nations.

The negotiations ended in the signing in the Kremlin on February 14:

1. Of the Treaty of Friendship, Alliance and Mutual Assistance between the People's Republic of China and the Soviet Union;

2. The Agreement on the Chinese Changchun Railway, Port Arthur and Dairen, on the strength of which after the signing of the peace treaty with Japan, the Chinese Changchun Railway is to be handed over in full possession of the People's Republic of China and Soviet troops are to be withdrawn from Port Arthur; and

3. The Agreement on the granting by the Government of the Soviet Union to the Government of the People's Republic of China of long term economic credit for paying for the deliveries of industrial and railway equipment from the USSR.

The aforementioned treaty and agreements were signed for the People's Republic of China by Premier and Minister of Foreign Affairs Chou En-lai and for the USSR by Minister of Foreign Affairs A. Y. Vyshinsky.

In connection with the signing of the Treaty of Friendship, Alliance and Mutual Assistance and the Agreement on the Chinese Changchun Railway, Port Arthur and Dairen, Premier and Minister of Foreign Affairs Chou En-lai and Minister of Foreign Affairs A. Y. Vyshinsky exchanged notes to the effect that the respective treaty and agreements concluded on August 14, 1945 between China and the Soviet Union have become invalid, and also that both Governments state full guarantee of the independent position of the Mongolian People's Republic as a result of the referendum of 1945 and of the establishment with it of diplomatic relations by the People's Republic of China.

Simultaneously Premier and Minister of Foreign Affairs Chou En-lai and Minister of Foreign Affairs A. Y. Vyshinsky also exchanged notes on the decision of the Soviet Government to hand over gratis to the Government of the People's Republic of China the property acquired by the Soviet economic organizations from Japanese owners in Manchuria, and also on the decision of the Soviet Government to hand over gratis to the Government of the People's Republic of China all the buildings of the former military cantonment in Peking.

* * *

Treaty of Friendship, Alliance and Mutual Assistance between the People's Republic of China and the Union of the Soviet Socialist Republics.

THE Central People's Government of the People's Republic of China and the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics, full of determination jointly to prevent, by the consolidation of friendship and cooperation between the People's Republic of China and the Union of Soviet Socialist Republics, the rebirth of Japanese imperialism and the resumption of aggression on the part of Japan or any other state that would unite in any form with Japan in acts of aggression, imbued with the desire to consolidate lasting peace and universal security in the Far East and throughout the world in conformity with the aims and principles of the United Nations Organization, profoundly convinced that the consolidation of good neighborly relations and friendship between the People's Republic of China and the Union of Soviet Socialist Republics meets the vital interests of the peoples of China and the Soviet Union, have decided for this purpose to conclude the present treaty and have appointed as their plenipotentiary representatives: Central People's Government of People's Republic of China—Chou En-lai, Premier of the Government Aodministration Council and Minister of Foreign Affairs of China; the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics—Andrei Yanuarjevich Vyshinsky, Minister of Foreign Affairs of the Union of Soviet Socialist Republics. Both plenipotentiary representatives, upon exchanging their credentials, found in due form and full order, have agreed upon the following:

Article 1. Both contracting parties undertake jointly to take all necessary measures at their disposal for the purpose of preventing the resumption of aggression and violation of peace on the part of Japan or any other state which would unite with Japan directly or in any other form in acts of aggression. In the event of one of the contracting parties being attacked by Japan or states allied with it and, thus being involved in a state of war, the other contracting party will immediately render military and other assistance with all means at its disposal.

The contracting parties also declare their readiness to participate most sincerely in all international actions aimed at ensuring peace and security throughout the world and will contribute their full share in the earliest implementation of these tasks.

Article 2. Both contracting parties undertake in the spirit of mutual agreement to strive for the earliest conclusion of the peace treaty with Japan jointly with other powers which were allies during the Second World War.

Article 3. Both contracting parties undertake not to conclude any alliance directed against the other contracting party and not to take part in any coalition or in actions or measures directed against the other contracting party.

Article 4. Both contracting parties will consult with each other in regard to all important international problems affecting the common interests of China and the Soviet Union, being guided by the interests of the consolidation of peace and universal security.

Article 5. Both contracting parties undertake in the spirit of friendship and cooperation and in conformity with the principles of equality, mutual interests, and also mutual respect for state sovereignty and territorial integrity and non-interference in the internal affairs of the other party—to develop and consolidate economic and cultural ties between China and the Soviet Union, to render each other every possible economic assistance and to carry out necessary economic cooperation.

Article 6. The present treaty comes into force immediately upon its ratification. The exchange of instruments of ratification will take place in Peking.

The present treaty will be valid for 30 years. If neither of the contracting parties gives notice one year before the expiration of this term of its desire to renounce the treaty, it shall remain in force for another five years and will be extended in compliance with this rule.

Done in Moscow on February 14, 1950 in two copies each in Chinese and Russian languages, both texts being equally valid.

Upon authorization of the Central People's Government of the People's Republic of China: Chou En-lai.

Upon authorization of the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics: A. Y. Vyshinsky.

* * *

Agreement between the People's Republic of China and the Union of Soviet Socialist Republics on the Chinese Changchun Railway, Port Arthur and Dairen.

THE Central People's Government of the People's Republic of China and the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics state that since 1945 radical changes have occurred in the situation in the Far East, namely: imperialist Japan has suffered defeat; the reactionary Kuomintang Government has been overthrown; China has become the people's democratic republic, in China the new People's Government has been formed which has united the whole of China, carried out a policy of friendship and cooperation with the Soviet Union and proved its ability to defend the state independence and territorial integrity of China and the national honor and dignity of the Chinese people.

The Central People's Government of the People's Republic of China and the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics maintain that this new situation permits a new approach to the question of the Chinese Changchun Railway, Port Arthur and Dairen.

In conformity with these new circumstances, the Central People's Government of the People's Republic of China and the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics have decided to conclude the present agreement on the Chinese Changchun Railway, Port Arthur and Dairen:

Article 1. Both contracting parties have agreed that the Soviet Government transfers gratis to the Government of the People's Republic of China all its rights in the joint administration of the Chinese Changchun Railway with all the property belonging to the railway. The transfer will be effected immediately upon conclusion of the peace treaty with Japan, not later however than towards the end of the 1952.

Pending the transfer, the now existing position of the Sino-Soviet joint administration of the Chinese Changchun Railway remains without change. However, the order of filling posts by the representatives of the Chinese and Soviet sides, upon the coming into force of the present agreement, will be changed and there will be established the intermittent filling of posts for definite periods of time (the manager of the railway, the chairman of the Central Board and others).

As regards concrete methods of effecting the transfer, they will be agreed upon and determined by the Governments of both contracting parties.

Article 2. Both contracting parties have agreed that Soviet troops will be withdrawn from the jointly utilized naval base of Port Arthur, and that the installations in this area will be handed over to the Government of the People's Republic of China immediately upon conclusion of the peace treaty with Japan, however not later than towards the end of 1952, with the Government of the People's Republic of China compensating to the Soviet Union expenses incurred in the restoration and construction of the installations effected by the Soviet Union since 1945.

For the period pending the withdrawal of the Soviet troops and the transfer of the above installations, the Governments of China and the Soviet Union will appoint an equal number of military representatives for organizing a joint Chinese Soviet Military Commission which will be intermittently presided over both sides and which will be in charge of the military affairs in the area of Port Arthur; concrete measures in this sphere will be determined by the joint Chinese-Soviet Military Commission within three months upon coming into force of the present agreement and shall be implemented upon approval of these measures by the Governments of both countries.

The civil administration in the aforementioned area shall be in direct charge of the Government of the People's Republic of China. Pending the withdrawal of Soviet troops the zone of billeting of the Soviet troops in the area of Port Arthur will remain unaltered in conformity with now existing frontiers.

In the event if any of the contracting parties becomes subject of aggression on the part of Japan or any state as would unite which Japan, and as a result thereof will be involved in hostilities, China and the Soviet Union may, on the proposal of the Government of the People's Republic of China and with the agreement of the Soviet Government, jointly use the naval base of Port Arthur in the interests of conducting joint military operations against the aggressor.

Article 3. Both contracting parties have agreed that the question of Port Dairen must be further considered upon conclusion of the peace treaty with Japan.

As regards administration in Dairen, it fully belongs to the Government of the People's Republic of China.

All the property now existing in Dairen provisionally in charge of or under lease to the Soviet Union, must be taken over by the Government of the People's Republic of China.

For carrying out work involved in the receipt of the aforementioned property, the Governments of China and the Soviet Union will appoint three representatives from each side for organizing a joint commission, which in the course of three months after coming into force of the present agreement, shall determine concrete methods of the transfer of the property and after the approval of the proposals of the joint commission by the Governments of both countries, will complete their implementation in the course of 1950.

Article 4. The present agreement comes into force on the day of its ratification. The exchange of instruments of ratification will take place in Peking.

Done in Moscow on February 14, 1950 in two copies each in Chinese and Russian languages, both texts being equally valid.

Upon authorization of the Central People's Government of the People's Republic of China: Chou En-lai.

Upon authorization of the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics: A. Y. Vyshinsky.

* * *

Agreement between the Central People's Government of the People's Republic of China and the Government of the Union of Soviet Socialist Republics on the Granting of Credit to the People's Republic of China.

IN connection with the consent of the Government of the Union of Soviet Socialist Republics to grant the request of the Central People's Government of the People's Republic of China on giving China credit for paying for the equipment and other materials which the Soviet Union has agreed to deliver to China, both Governments have agreed upon the following:

Article 1. The Government of the Union of Soviet Socialist Republics grants the Central People's Government of the People's Republic of China credit counting in dollars amounting to 300 million American dollars, taking 35 American dollars for one ounce of pure gold.

In view of the extreme devastation of China as a result of prolonged hostilities on its territory, the Soviet Government has agreed to grant credit on favorable terms with one percent annual interest.

Article 2. The credit mentioned in Article One will be granted in the course of five years as from January 1, 1950, in equal portions of one-fifth of the credit in the course of each year for payments for deliveries from the USSR of equipment and materials including equipment for electric power stations, metallurgical and engineering plants, equipment for mines for the production of coal and ores, railway and other transport equipment, rails and other materials for the restoration and development of the national economy of China.

Assortment, quantities, prices and dates of deliveries of equipment and materials will be determined under special agreement of the parties. Prices will be determined on the basis of prices on world markets.

The sum of credit which remains not used in the course of any one annual period may be used in subsequent annual periods.

Article 3. The Central People's Government of the People's Republic of China reimburses the credit mentioned in Article One, as well as interest thereon, with deliveries of raw materials, tea, gold, American dollars. Prices for raw materials and tea, quantities and dates of deliveries will be determined under special agreement, with prices being determined on the basis of prices on the world markets.

Reimbursement of credit will be effected in the course of 10 years by equal annual parts—one-tenth yearly of the sum total of the credit received not later than December 31 of every year. The first payment is to be effected not later than December 31, 1954, and the last, on December 31, 1963.

The payment of interest on credit calculated from the day of drawing of respective fraction of credit is effected every six months.

Article 4. For clearance with regard to credit envisaged by the present agreement, the State Bank of the USSR and the People's Bank of the People's Republic of China shall open special accounts and jointly establish the order of clearance and accounting under the present agreement.

Article 5. The present agreement comes into force on the day of its signing and is subject to ratification. The exchange of instruments of ratification will take place in Peking.

Done in Moscow on February 14, 1950 in two copies, each in Chinese and Russian languages, both texts being equally valid.

Upon authorization of the Central People's Government of the People's Republic of China: Chou En-lai.

Upon authorization of the Government of the Union of Soviet Socialist Republics: A. Y. Vyshinsky.

LETTERS

(Continued from page 179)

The school selected a piece of hilly land about 30 li from the city for reclaiming. The land had not been cultivated and there were scarcely any inhabitants nearby.

Day and night the tractors were going in this wilderness. Lian Chuan drove a tractor with Hu Yuen-tsung as an assistant.

In order to popularize tractor driving, they took in apprentices. First Lian Chuan spent a month teaching Hu Yuen-tsung to master a tractor single-handedly. Then she took on a male apprentice. Then Hu Yuen-tsung was able to take on apprentices. The young drivers altogether taught 18 apprentices the technique which they had learned; half of the 18 were trained by Lian Chuan and Hu Yuen-tsung. The women were very careful and patient teachers.

During the whole period required for reclaiming this portion of land, the machine was never once broken or in any way damaged. This was because everyone loved the machines as dearly as their own lives. Lian Chuan was no exception. One night when it was raining and the wind was blowing hard, she thought of the magnetic electric starter on the machine. If it got wet, the machine would not be able to move the next day. So she crept out of her tent, disregarding the rain and wind, and took the electric starter off the machine and brought it to her tent.

In only three years' time, Lian Chuan has transformed herself from a simple country girl to a production heroine. She is a woman tractor driver of the new China, a new type of woman who is part of new China.

HENRIETTE CHU

University of Agriculture
Peking
February 5, 1950

The Review's English Lesson CXIX

Words and Phrases

FOR this week's English lesson we have selected extracts from an article in the December 4, 1949 issue of *Time* Magazine, entitled "A Cry For Humanity."

We quote from the article: **"Dr. Michael Scott is a tall gaunt-faced Anglican minister who has labored a good part of his 43 years among South Africa's underdog black men. 'My religion,' he says, 'knows no color bar'."**

In the above paragraph a **gaunt-faced** person is usually thought of as one whose face is lean and bony from hunger or suffering, althugh often people are normally gaunt-faced, as in the case of Abraham Lincoln. An **Anglican minister** is a pastor (牧師) of the Church of England. The term **underdog** refers to the unfavorable status, or situation, of the black men of South Africa as compared with that of the dominant white minority. When Scott says, "my religion knows no **color bar,**" he means that he recognizes no difference between peoples because of color. The word **bar,** as used here, means barrier **or** obstacle.

The article continues: **"Lepers, slum-dwellers and downtrodden tribesmen look upon Scott as a saint. Those white men in South Africa who believe that blacks are subhuman hewers of wood and drawers of water call him a crackpot."**

In the foregoing paragraph the word **lepers** refers to persons suffering from a malignant disease called leprosy. The term **slum-dwellers** refers to people living in crowded, poverty-stricken areas. The word **downtrodden** means the exploited and oppressed section of the population, the word **trod** deriving from the word 'tread,' meaning to step or trample on. To look upon Scott as a **saint** (聖徒) means that the tribesmen look upon him as a highly honored and respected person. The word **subhuman** means less than human; inferior, sub being a prefix meaning under, lower. The terms **hewers of wood and drawers of water** is of Biblical origin and refers to those whose menial status consigns them to the lowly tasks of cutting firewood and carrying water. The noun **crackpot** is a slang expression used to describe a person who possesses extremely eccentric or impractical ideas and beliefs.

The *Time* article continues: **"Three years ago a message came to Scott in Johannesburg from black friends on the veldt: in South West Africa, a former German colony mandated by the League of Nations to the Union of South Africa, the white men were plotting to defraud the black men of their heritage. It was the 'sacred trust' of a mandatory power to prepare native peoples for self-government. Instead, the Union of South Africa was preparing to annex South West Africa and force its black men (300,000 as compared to 30,000 whites) into a degrading system of racial discrimination."**

In the above paragraph the noun **veldt,** taken from the Dutch, meaning field, refers to the grassy plains of South Africa. A **mandate** is a commission assigned to administer a colony or territory. The verb **defraud** means to cheat, swindle or deprive of by deceit. The noun **heritage** means rights and property passed on from ancestors. A **sacred trust** is a responsibility that should not be violated, or a solemn promise that should not be broken. To **annex** means to take over or absorb; a small nation is **annexed** by a large one. The adjective **degrade** means to debase, to lower in quality, or corrupt. The term **racial discrimination** is synonymous with the term racial prejudice and refers to the practice of favoring one race, or color, over another.

Continuing, the *Time* article says: **"In 1947, Scott flew to Lake Success. He heard the juke-boxes of America blaring the hit of the day, 'Bongo, Bongo, Bongo, I Don't Want To Leave The Congo.' Unlike the missionaries in the juke-box hymn, the Rev. Scott was not so sure that 'civilization was fine.' Civilization, white South African style, did everything to thwart Scott's mission. Though denied official standing, he managed to tell UN members of the black man's plight. Three times the General Assembly asked the Union of South Africa to place the onetime German colony under international control. Three times the Union refused. As of today, the Union government of Premier Daniel Malan has all but annexed South West Africa."**

In the paragraph above, **Lake Success** refers to the present location of the United Nations Organization's headquarters near the city of New York. The slang term **jukebox** is commonly used to describe the ornate automatic phonographs found in public places in many countries which are made to play popular music by inserting a coin in a slot. The verb **blare** means to give out loud, grating sounds. The expression **hit of the day** refers to a piece of music that is enjoying temporary popularity. The verb **thwart** means to prevent from succeeding; to frustrate. The noun **mission** means a duty or an undertaking, as, for example, 'his mission (任務) is to serve the people.' The noun **plight** means a difficult situation; a predicament. The term **onetime** means in time past; former or erstwhile. The term as of today is a short form of the term as **matters stand** today.

The article continues: **"It was a plea for basic human rights which must belong to black as well as white, lest all Africa be driven in time toward a racial holocaust. UN's collective conscience was stirred: chances were that the case would be referred to the International Court of Justice. But the real problem was how to rouse the conscience of South Africa."**

In the paragraph above the term **basic human rights** means those privileges and prerogatives which should not be withheld from anyone for any reason. The conjunction **lest** is used here in place of the phrase 'for fear that' and is similar in meaning to the Chinese (恐怕). The noun **holocaust** means a great calamity (災禍) involving heavy loss of life. The term **collective conscience** refers to the group sense of right and wrong of the entire body of the United Nations Organization. The verb **rouse** means to awaken, to stir up or excite. The verb **arouse** is often used in the same sense.

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